



Akzo and Nobel A good fit, but what took so long?



VANCIAL TIMES

Europe's Business Newspaper

 10^{10}

PACK E to E

Sutting

att dige

EC blames US for delay on world trade negotiations

A united European Community has rounded on the US for holding up progress in the Uruguay Round world trade negotiations. Foreign ministers of the 12 backed a toughly worded statement from EC chief trade negotiator Sir Leon Brittan which described US and Japanese failure to match the Community's offer on market access and cuiting industrial tariffs as the barrier to concluding the Round by its December 15 deadline. Page 18

Press row over Diana pictures: The future of self-regulation of the press in the UK was in doubt last night after the three national titles of Mirror Group Newspapers pulled out of the Press Complaints Commission amid a growing row over photos of the Princess of Wales taken covertly at a west London fitness club. Page 9

China may soften HK line: China has indicated a willingness to agree to some of Hong Kong governor Chris Patten's plans for the colony's political development, but London and Beijing remain far apart on his democracy proposals. Page 18; Beijing to back sweeping reforms, Page 5

Ferruzzi to sue Price Waterhouse: The new management of Ferruzzi Finanziaria, the Italian industrial group with borrowings of more than L28,000bn (\$17.6bn), plans legal action against Price Waterhouse, the international accounting group which audited its books. Page 19

Merck takeover go-ahead: US anti-trust authorities cleared the \$6bn takeover by Merck. the US's largest drugs group, of Medco Containment Services, its biggest drugs distributor. Page 19



President-elect of the European Monetary Institute Alexandre Lamfalussy (left) has promised to be a strong critic of "unbalanced" economic policies which threaten European monetary union. In written answers to members of the European Partiament, Mr Lamfahussy also said he was not sure a return to the old European

exchange rate mechanism, was "a realistic objec-Control of the state of the sta Anglo-Irish peace initiative on Northern Ireland was under strain after fundamental differen

rged between London and Dublin on the timing of an IRA ceasefire. Page 9 * Croat warning on Vitez attack: Moslem forces fired two shells on a Croat held munitions factory in Vitez, central Bosnia, as Croat officials

warned the attacks could prompt "a catastrophe". Barclays, the biggest UK bank, is to move control of large corporate lending in Europe to its BZW

investment bank and curtail some lower margin syndicated loans in an effort to raise future earnings. Page 19 EC jobs outlook gloomy: Business confidence in the European Community has picked up, but

nearly half of companies are expecting to cut their labour forces during the next 12 months. Page 4; UK net lending highest for 31/4 years,

BA presses for super jumbo; British Airways is pressing commercial aircraft manufacturers, including Booing of the US and European Airbus partners, to develop a 600-seat aircraft for delivery around the turn of the century. Page 8: Cuts help Lufthansa out of red, Page 20

Rome banker's arrest ordered: Italian magistrates have ordered the arrest on corruption. charges of Oliviero Prunas, vice-chairman of Banca di Roma SpA, judicial sources said.

African wins UN post: Jacques Diouf of Senegal was elected director-general of the United Nations Food and Agriculture Organisation, the first African to head the FAO in its 48-year history.

\$60m art theft at Swedish museum: Important paintings and sculptures by Picasso and Braque, valued at more than \$60m, were stolen from the Museum of Modern Art in Stockholm in Sweden's biggest art theft. Page 3

Bluefin tuna 'near extinction': The bluefin tuna, one of the world's largest fish, is on the brink of extinction in the western Atlantic as prices for the delicacy soar in Japan, where restaurants can charge up to \$350 per lb.

STOCK MARKET INDICES	STERLING
F7-SE 100:	New York functione: S 1.48135
FT-SE Eurotrack 1001337.43	DM 2.495 (2.515) Fit 8.68 (8.74 SFt 2.1975 (2.2175
Federal Funds: 31.% 3-mo Treas Bills: Yid3.15% Long Bond	BE DOLLAR New York kinchime. DM 1.6955 FFT 5.867 SFT 1.884 Y 108.85 London: DM 1.885 (L6915
■ NORTH SEA OIL (Argus) Breat 15-day (Dec)\$15,705 (15.98) ■ Gold	FFr 5.8825 5.88

9940 Nigota Namid5 994590 Norsey N616.00 12700 Omari OR1.50 1900 Palusian R655 501.50 Philippinas Pso85

© THE FINANCIAL TIMES LIMITED 1993 No 32,213 Week No 45

Cost savings of relocation lure German companies

By Ariane Genillard in Bonn

ONE IN three German companies intends to transfer part of its pro-duction outside the country in the next three years, compared with one in four that planned to do so in the past three years, according to a survey conducted by the German chamber of trade and industry, the DIHT.

The survey, which polled 10,000 large and medium-sized companies in western Germany, says the favourite relocation site is eastern Europe, followed by Asia.

The European Community, which swallows the bulk of German investment abroad, is gradually diminishing as a favoured manufacturing base, it notes. DIHT regularly polls its member companies, but this is the

first time it has done so on the subject of relocation. One in four said it had planned partially to move production sites abroad in the last three vears. Those that did so created an estimated 210,000 jobs. The sharpest rise in planned

relocations is among manufactur-

ers, with 36 per cent nou saying they will partly move abroad in the next three years. In the last three years. 28 per cent of them planned to do so. Companies cite high domestic

labour costs as the primary reason for plans to move production abroad. They also point to shorter working weeks and machine-running times as factors hindering domestic productivity.

Companies also blame strict environmental legislation, saving it is forcing them to invest in non-productive assets in Germany. They also say the long wait for permission to build new plants or conduct certain types of research are pushing them beyond their national borders.

Eastern Europe is named by nearly all as a favourite region to develop new manufacturing bases. They say the region combines a skilled labour force with low wages. Poland, the Czech and Slovak republics and Hungary have average hourly wages of DM5 to DM7, compared with

DM42 in Germany. "German companies have to

reduce total costs by 20 to 30 per cent to remain competitive in global markets. Eastern Europe, which is on their doorstep, offers them a chance to do this," says Mr Siegfried Utzig, senior economist at the German industry federation, the BDI.

The opening up of the former communist bloc is also offering new opportunities for the Mittelstand. Germany's small and medium-sized enterprises.

"Large German companies have always moved production

growth strategies. But what we going abroad. This contributes to the growing unemployment in Germany," says Mr Michael Fuchs, head of the German asso-

ciation of exporters, BGA. In Baden-Wurttemberg, the southern state with the highest number of medium-sized enterprises, 40 per cent of the companies said they planned to move some of their production abroad in the next three years.

Time to buy German, Page 12

Combined group to have revenues of \$10.5bn and 75,000 employees

Akzo to buy control of Nobel in \$2bn deal

in Stockholm and David Brown

AKZO and Nobel Industries, two leading European specialty chemicals groups, yesterday announced a deal under which Akzo will pay SKr16.6bm (\$2bm) to take control of Nobel, creating the world's biggest paints group. Akzo of the Netherlands is

company at SKr39.6 per share, 35 per cent above the SKr22 level at which its shares were suspended last week.

The combined group, Akzo Nobel, will have revenues of more than Fl 20bn (\$10.5bn) and about 75,000 employees.

It will be bigger than imperial Chemical Industries of the UK in the world coatings market, and almost twice its size in Europe. It will also be the world's second piecest pulp and paper chemicals producer, and will have a leading global position in niche areas such as evaporated salt.

The two groups say their operations complement each

other industrially and geographically, enabling them to boost market share and profitability against a background of significant restructuring in the world chemicals market "Our strategy is not to have a

lot of products for a limited number of markets, but rather to limit our products and aim for a strong regional or global market position," said Akzo chairman Mr . Aarnout Loudon. The deal is a neat solution for

the Swedish state, which owns 72.9 per cent of Nobel through Securum, a "bad bank" set up in 1991 by the government to help alleviate debt problems following unsuccessful diversification. It enables Securum to sell Nobel as a package for a SKr5.4bn capital gain, while offloading much of the group's debt on to Akzo. It will gain a 20 per cent stake in Akzo Nobel, making it the largest

Nobel's interests in Spectra-Physics, its electrical-optical instruments operations, biotechnology and the Swedish defence group Celsius are not included in the merger, and will be acquired

single shareholder.



Akzo chairman Aarnout Loudon: aiming for a global market position

by Securum for SKr5.3bn, includ- Fl 180m, are expected to enhance

Akzo is offering two new shares for every 57 Nobel A or B shares, and a cash alternative worth SKr26.5 a share, it has also agreed to take over the group's preference stock for cash and shares. The Dutch group plans to raise Fl 1.3bn through an institutional placement to fund the cash parts of the deal.

Akzo said the merger would dilute earnings by less than 10 per cent in the first year. Synergy benefits, which one analyst said had been quantified at

earnings thereafter. Akzo shares closed at Fi 186.5. down from Fl 197.2 on Friday. Some analysts in Amsterdam said Akzo was paying a high premium, particularly in light of Nobel's heavy financial gearing, but others noted the fall in Akzo shares followed the stock's all time high last week, after the announcement of strong third-

quarter results.

Lex. Page 18 When one plus one makes

Japanese oil refiners scrap \$9bn Saudi deal

By Emiko Terazono in Tokyo and Mark Nicholson in Cairo

JAPAN'S three leading oil refiners announced yesterday the cancellation of a Y1,000bn (\$9.24bn) joint venture with Saudi

Arabia. Nippon Oil, Nikko Kyodo and Arabian Oil said they were pulling out of a proposed oil refining project with Aramco, the Saudi state-owned oil company, and Caltex Petroleum of the US because of a sharp fall in demand triggered by Japan's economic

The decision is a blow to the Japanese government, which had hoped to establish a stable oil procurement route through the

Mr Hideaki Kumano, vice minister of international trade and industry, said the government regretted the cancellation.

Saudi officials in Riyadh had no immediate comment on the cancellation of the proposed venture, feasibility studies for which began last year.

it had been planned as part of the joint venture for two existing oil refineries to be bought from Nikko Kyodo and Nippon Oil and for a new refinery to be built in southern Japan, but the Japanese refiners decided they could not afford to build a plant which was expected to become profitable only after 12 to 14 years.

Japanese oil refiners and distributors have been hit by the economic downturn, and Nikko more than two, Page 19 | Kyodo faces Y90bn in extraordi-

pary losses caused by the liquidation of its US affiliate. The loss of expected income from the sale of the oil refineries to the joint venture may force the two Japanese companies to implement cost-cutting measures.

The Japanese joint venture was expected to cement Saudi Aramco's Asian presence. It is understood the company has not abandoned plans to expand its downstream operations in Asia and is exploring possible alternative joint ventures in the region.

The Saudi state oil group, which recently merged with the state refining and marketing arm, Samarec, is understood to have begun negotiations with other potential partners in Asia. No details have been made public, but the search for alternative deals would fit in with Aramco's long-standing plans to guarantee market access for its crude oil

through participatory ventures. Saudi Aramço's moves to bind supplies of crude to joint venture refineries in its main markets began with the 1988 deal to supply about 600,000 barrels a day of Saudi crude to Star Enterprises, a 50-50 refining and marketing venture with Texaco, the US oil com-

Three years later Aramco bought a 35 per cent stake in Ssangyong Oil of South Korea, the country's third biggest refiner. It has explored a similar deal in Europe, although Saudi officials have refused to confirm any specific approaches to Euro-

Slide in markets on hold as dealers await US figures

By Tracy Corrigan in London and Frank McGurty in New York

THE SLIDE in financial markets last week was put on hold vesterday, as dealers awaited the next set of important US economic data today, but however the underlying tone remained ner-

US Treasury bonds again appeared weak yesterday, but nost other bond and stock market prices were little changed, prompting speculation that US market domination over economic fundamentals in other markets may be weakening.

Dealers remained concerned. however, that today's US producer prices data for October could trigger a further sell-off. Last week, signs of an acceleration of economic growth in the US prompted a bout of profittaking in the US and European bond markets, as the end of a record year for many investors approaches. The bond market weakness also fed through into

the world's stock markets. The US long bond lost further ground yesterday morning but the US stock market shrugged off the downward trend in bond prices, as cyclical stocks helped push indices modestly higher. By midday, the benchmark 30at 100 L, yielding 6.23 per cent.

The short end of the market,

The FT-SE 100 index ended 8 points down at 3,077.6, while Cer-Suropean stock market this year. Trading was light, as many investors and traders chose to

> World stocks, Page 38 London stocks, Page 31

Foreign banks face limit in Russia

By John Lloyd in Moscow

RUSSIA is considering curbs on the expansion of foreign banks into its market after granting operating licences to a further five outside banks, bringing the total to 12.

Mr Yegor Gaidar, the first dep uty economics minister, has warned of "further regulation" of the activities of the foreign banks, which are only just beginning to open for business. In a decision taken two weeks

ago and confirmed in the last few days, three foreign banks, Citibank, Chase Manhattan and ABN-Amro, and two Russo-Turkish joint venture banks have all received licences to operate. The licences from the central bank allow them to open accounts for Russians and foreigners in both roubles and hard currency

Mr Steven Fullenkamp, vice-president of Chase Manhattan in Moscow, said last night: "I was surprised that the central bank licensed five all together. believe there will now be a pause, for perhaps as long as a year, while the central bank sees how the foreign banks perform on the Russian market." Of the

Continued on Page 18

It you need connections in Asia, talk to a local.



over 300 flights to Asia, Australia and New Zealand. All aboard the world's most modern fleet, with inflight service even other SINGAPORE AIRLINES airlines talk about.

however, was moving ahead, with the two-year note up i at 991, to 4.14 per cent. At 1pm, the Dow Jones Industrial Average was 8.66 higher at 3,652.09. Attention was largely directed at today's report on wholesale prices and tomorrow's data on retail prices. Both sets of data are expected to reinforce fears that inflationary pressures in the US economy are building. European bond markets were mostly little changed, though the UK gilts market managed a 4 point rally, on the back of encouraging inflation data.

> many's Dax index fell 1.75 points to 2,010.8 and France's CAC-40 index rose 3.78 points to 2,084.79. Stock market analysts fear that a reassessment of investment strategies by US fund managers could cause a reversal of the heavy flow of funds into the

stay on the sidelines until a clear direction has been established.

CONTENTS

Wall Street ___ ...34-37 Share Information .32.33.42

LONDON - PARIS - FRANKFURT - NEW YORK - TOKYO

Franco-German plan to end Bosnian war

By Lionel Barber in Brussels

FRANCE and Germany yesterday launched a fresh diplomatic initiative to end the civil war in Bosnia with a plan to gradually lift sanctions against Serbia in return for extra land for Bosnian Mos-

The Franco-German plan marks the first evidence of a and not by using force". shift in European tactics away from total isolation of Serbia and more toward incentives for President Slobodan Milosevic of Serbia to end the war.

The proposal was given a forces could be sent in the

of European foreign ministers who remained torn between the need to take action to head off a humanitarian disaster, and the danger of becoming embroiled in the civil war, Mr Douglas Hurd, the British

foreign secretary, said it was important to keep as many aid routes open as possible, but "not by rocketing aid through, Britain has around 3,000

troops in Bosnia second in number only to France. Though Mr Hurd predicted that more United Nations coming months, Britain would

Moslem forces yesterday fired two shells on a Croat-held munitions factory in Vitez, central Bosnia, as Croat officials warned the attacks could prompt "a catastrophe", writes Laura Sil-

Faced with a string of Moslem victories, the Croat authorities said the latest Moslem offensive would cause "a horrific explosion and an unprecedented catastrophe for the wider area of

Bosnia-Hercegovina". on the vital munitions factory in Vitez, the headquarters of British United Nations soldiers, one year.

At Mr Hurd's suggestion, ministers agreed to consider and follows the fall last week of Vares, 25 miles to the east, to the Moslem government's

The Croatian Defence Council (HVO), the Bosnian Croat army, admitted in a statement it had joined forces with the Bosnian Serbs, their former enemies, to surround the Nordic UN battalion near Vares on Sunday.

In Sarajevo, UN soldiers yesterday escorted the first of 1,500 Serbs, Croats and Moslems to It was said to be the first direct hit be evacuated from the besieged Bosnian capital

stick to its present contingent, the plan at a meeting of the itary experts would be present. "We think this is a good con-Western European Union on November 22 in Luxembourg. text to discuss the real issues and difficulties," said one. ciál. British officials said senior mil-

man letter, obtained by Reu-ters news agency, suggested would be lifted gradually.

Mr Hurd said it was not "aid corridors" and the reopening of the vital surport of Tuzia

to fly in relief this winter. Kinkel, his German opposite Serbs should ceds a further 8 per cent of territory they control in Bosnia, which the Moslems have been claiming and which led to the collapse of the

A copy of the Franco-Ger- munity should uffer Belgrade

unreasonable to set out to President Milosevic the conditions under which sanctions The letter was signed by Mr might be relaxed, but he added: Alain Juppe, the French for "It is for the [UN] Security eign minister, and Mr Klaus Council, not us, to decide on compliance bringing about a

lifting of sanctions," he added. The letter also calls for a

approach to end the war and most recent peace plan. In maintain the supply of human-

new cenference on the former Yugoslavia to be held in Geneva as part of a twin-brack

De Larosière hopes to put the problem bank back on an even keel EBRD board approves reforms



By Robert Peston

A RADICAL reorganisation of the European Bank for Reconstruction and Development (EBRD), the aid bank for eastern Europe and the former Soviet Union, was yesterday approved by its board of

After the board meeting, the EBRD's new president, Mr Jacques de Larosière, announced the changes with a bluntness spells running the Interna- among our clients and intertional Monetary Fund and more latterly the Banque de

"I could not go on one week more with the problems we

These problems were spelled out by Mr de Larosière in a document he prepared for the board of directors, who represent the countries and agencies which own the bank: "It has been stated that the current organisation leads to confusion

HEATHROW TO BRUSSELS

BUSINESS CLASS FARES

main operational departments, for development banking and ested business partners. "It is perceived as being bureaucratic, leading to con-

delays and lacking focus in terms of operations and country needs," the document said. However, in his first press briefing since arriving at the bank on October 4, Mr de Laro-

sière stressed: "I think the calibre of the staff is exemplary." The most important changes

are the abolition of the two

merchant banking respectively. flicting approaches, procedural Development banking was

responsible for financing infrastructure projects in eastern Europe and the former Soviet Union, while merchant banking was in charge of encouraging privatisation.

Their functions are being absorbed by two new "banking" departments, one covering southern-based countries and the other for the more north-

Most of the southern economies are less developed and

will therefore require greater investment in their infrastruc-In the short term, the EBRD is more hopeful of encouraging

the growth of the private sector in the northern economies. "I think this reorganisation addresses the concern that the bank had insufficient country focus," Mr de Larosière said. However, he insisted that there would be no retreat from the EBRD's aim of encouraging the private sector, despite the abolition of the merchant banking division, which was a unique department among the international aid banks in working exclusively on privatisation

The bank is not abolishing its sectoral specialist teams

"We could have followed the World Bank model and had only country specialists," he said. Instead, each department will contain teams specialising on individual countries and other teams concentrating on sectors which cross geographi-

cal boundaries.
Some of these sectoral teams. covering agribusiness, power and energy, transport and privatisation, will be directly attached to the two banking

However separate teams, covering natural resources, financial institutions, nuclear safety, telecommunications and tourism, will be part of a new operations support group, which will feed in to both

banking departments. What this means is that the elimination of duplicated functions has freed some staff for redeployment, while others will be made redundant.

These moves will help him in his aim of preparing a "lean budget for 1994". He said: "The first thing I did on arrival here to was institute a hiring

Subsequently he has asked each head of department to ensure that their groups are "as lean and effective as

Mr de Larosière's contribution to this process has been to eliminate the presidential cahinet and the political department, both much favoured by his predecessor, Mr Jacques Attali, who resigned in the summer after widespread criticism of the bank's extravagance and poor management. In total, there will be fewer than 50 redundancies at the bank, possibly as few as 25, though the process of identifying jobs to eliminate has not

But the 12 foreign ministers who took the decision each had two hats - EC and EU and not all of them were wearing the same one at the moment they appeared to have made up their minds.

Union

in all

binds EC

but name

By David Gardner in Brussels

IT'S official. The Council of

Ministers of the European

Community (EC) reconstituted

itself yesterday as the Council

of the European Union (EU).

Confusion about what the EC should call itself after the entry into force this mouth of the treaty on European Union signed at Maastricht in February 1992 will continue a good while yet, sowed in almost equal amounts by Euro-feder-alists (EU) and sticklers for national prerogatives who pre-fer loose, inter-governmental

co-operation (EC - or less). Yesterday the 12 foreign ministers agreed that the Council of Ministers - which decides EC policy, usually on the basis of proposals from the European Commission should henceforth be a Union

The Commission of the European Communities - the quasi-executive of the EC - will henceforth be known as the European Commission, quite helpfully really because that was what everybody knew it as anyway.

The Council will become Union-ist, "notably," the deci-sion said, "within the framework of titles V and VI of the TUE" - to use the French acronym for the Treaty of European Union (which give or take an accent, is rather like the French word for "dead"). Titles five and six of Mass-tricht cover the common foreign and security policy, and co-operation on justice and me affairs, both areas for inter-governmental co-opera-tion outside the normal framework of Community busine to keep them safe from Brus-

The problem is that both kinds of business are conducted by the same people, at the same time, sitting around the same table, and invariably with the Commission present; hence the need to bring at least two hats, and the fastidiousness among some about the

dress code. Thus the UK, which prides itself on the succintuess of its insertions into EC/EU policy, yesterday more than doubled the verbosity of the "Union

decision". It said: "This change does not in any way alter the cur-rent legal position that the European Union does not personality. Nor does it affect the designation of the Parties to any international instrument having legal effects, which will be a matter to be

decided case by case." In the UK case, part of the objection to "Union" has to do with the cost of changing everything from the headed notepaper to the brass plaques for its EC/EU delegations, one British official intimated. Few other delegations in Brussels seem to a desperate horry to

make the change either. The current Belgian presidency of the Union/Community is a clear exception. Even invitations to the summit last ek - held before the entry into force of Maastricht - convened member states to a Council of the European

At the same meeting of for-eign ministers in the Union-ist capital, devoted yesterday principally to the Uruguay Round trade negotiations, Sir Leon Brittan, Europe's chief trade negotiator, decided to fudge the theological question of the moment.

"I titink I will just dispense with all [Euro] titles and give my name, hoping that people remember who I am."

1.4

4

TOTES, BUSINES BUSINES BUSINES BRITISH ALRWAYS



For years national airlines have charged a

fixed Business Class fare.

And, despite some taken reductions on selected routes, most still do.

revolutionised Business Class travel with the introduction of Diamond EuroClass.

Not British Midland. This year we have

Put simply, we now offer you a choice of three value fares in Business Class to all our European destinations.

For example Eurobudget, our lowest Business Class fare, can save you as much as £138 to Paris and £106 to Brussels compared to full Business Class fares.

Of course, all three fares offer you uncompromising quality in a separate Business Class cabin, with exclusive check-in facilities and priority disembarkation.

So that whenever business travel takes you to Europe, remember British Midland lead the way. Fair enough?



Hearhtam Is	f seeptive Hajora Saving	S Pay Engraps Spins Spring	Enräbs s gel Heinra Seving
AMSTERDAM	£ 7 0	£75	£84 .
BRUSSELS	£46	£78 .	210-6
PARIS	278	C83	£138
FRANKFURT	CJ4	£98	£128
DUBLIN	£40	CBS	£84 .
NICE .	£126	£172	£179 ;
PALMA	£98	E134	£194

THE SERIOUS ALTERNATIVE For lucther information contact your travel egent ar phone 0345 554321.

3M British Midland

EUROSIRIS

presents its most recent study:

1994 GUIDE TO RUSSIAN BANKS

EUROSIRIS is now publishing the second edition of its GUIDE TO RUSSIAN BANKS which received the acclaim of the International Press in 1992 (Financial Times, Commersant, AGEFI, La Tribune, Le Figure,...) and in 1993 (Financial Times of the 1/11/93).

Based on in-the-field investigations over a period of 6 months, the GUIDE is a unique world-wide and a reference publication for banks and companies operating in Russia and to some of the major World

The GUIDE, including big provincial banks, covers three quarters of all banking activity in Russia with data sheets for 35 different banks analysed in detail: activities, networks, means, results and prospec taking into account their development strategy.

Price of the GUIDE: USD 2 950 ecial prices for DATA SHEETS of the Banks

To receive our detailed brochure, please contact:

EUROSIRIS 12 cour Saint-Eloi 75012 PARIS - FRANCE FAX: (33) (1) 43 07 77 95



By David Buchan in Paris

THE French Senate yesterday approved a conditional form of state aid to reward companies which agree to cut the working hours of existing employees in order to reduce the country's lengthening dole queues.

The Senate amendment to a new five-year employment bill must return to the national assembly, which rebuffed a not dissimilar plan last month Since then, however, the government has swung behind the workshare scheme, making full parliamentary approval likely.

to unemployment is increasingly in vogue, both in the EC Commission where it is expec-ted to figure in the white paper on jobs, and in France, where unemployment reached 11.8 per cent in September and is forecast to hit 12 per cent by the year's end.

Support has been growing among centrist French politicians for a fairer share-out of work than the present division, in which the 11.8 per cent of the potential workforce has no work at all, while the remaining of 2 per cent are nominally ing 91.2 per cent are nominally

fully employed for 39 hours a

Free-market liberals in the government's parliamentary majority oppose worksharing as merely adding to business

The plan would reduce welfare charges for companies which reduce working hours by at least 15 per cent, and hire at least 10 per cent more work-ers. The companies would pay 40 per cent less in welfare charges for new employees in the first year of the scheme,

Balladur takes partners for chairmen's waltz

John Ridding reports on the big reshuffle at the top of France's public sector financial companies

T IS described in France as acterised the change of power the waltz of the chairmen. The latest steps, which are due to be completed tomorrow, involve a sweeping reshuffle at the top of French public sector

financial companies. Mr Jacques Friedmann, a close associate of the prime minister, Mr Edouard Balladur, will take over as chairman of Union des Assurances de Paris, one of France's most powerful institutional investors. Mr Jean Peyrelevade, the current head of UAP, is to move to loss-making Crédit Lyonnais, displacing Mr Jean-Yves Haberer who moves to Credit National, a small private sector

4 4 45 45

 $\gamma_{\rm min} = 4.55 \, \rm kg \, s^2$

2.2

100

When the music stops, the country's largest insurance group and one of the largest banks will have new chairmen to guide them through privatisation.

Mr Balladur will be left with a stronger grip on the pillars of the French economic establishment. In August he installed Mr Philippe Jaffré as head of Elf Aquitaine, the oil group and France's largest industrial

In May he chose Mr Michel

Pébereau another trusted asso-ciate as head of Banque Nationale de Paris, France's third biggest bank. Mr Friedmann's move would place a Balladur appointee into a third key post. Mr Balladur's resbuffle is as much pragmatic as politically motivated. "He has taken a tighter hold of the top of French business and finance," says one Paris-based merchant

banker. But he has done it with a velvet glove." Nonetheless, the grip will leave an imprint on the management at the top of French inance and industry and forms a central element of the government's plan to privatise 21 publicly-owned groups.

Mr Balladur's smooth approach marks a contrast to the "witch hunts" which char-

By Christopher Bobinski

FOLAND is set on maintaining

good relations with the Inter-

national Monetary Fund with a view to achieving further reductions in its \$47.2bn for-

eign debt, Mr Waldemar Paw-

lak, the head of the new cen-

tre-left government, said

yesterday.

118 5/4

between Socialist and conservative governments in the 1970s and early 1980s.

approach to changing the heads of public sector groups, leaving Socialist appointees at the head of many companies, and even appointing Socialist business leaders to new posts. The latest round provides a case in point.

Mr Jean Peyrelevade has been entrusted with the task of preparing Crédit Lyonnais for privatisation, despite the Socialist credentials he carned as adviser to the government of Mr Pierre Mauroy in the early 1980s. The respect he earned as head of the Suez group and at UAP encouraged a pragmatic approach by Mr. Balladur.

A t Air France, presently the most troublesome of France's public sector groups, the government appointed Mr Christian Blanc, a close associate of Mr Michel Rocard, the leader of the Socialist party.

the centre-right government and the Socialist head of state. has been relatively smooth, the

effect of the changes, the appointments at UAP, BNP and Elf-Aquitaine will leave an enduring stamp on these groups after privatisation. Along with Mr Jaffre and Mr Pébereau, also close to Mr Bal-ladur, Mr Friedmann will play a central role in the govern-ment's privatisation plans. He will prepare the insurance

He has taken a gradual

Attractive posts for outgoing But if the chairmen's waltz

implications are profound. In addition to the domino group for sale, with an expec-ted target date of next year. By

then, Elf-Aquitaine should also

this year's target of 5 per cent of GDP. Mr Pawlak said poli-

cies would aim "at reducing

The coalition government. elected on September 19 and formed out of the post-commu-

nist Left Democratic Alliance

(SLD) and Mr Pawlak's Polish Peasant party (PSL), needs the

IMF's approval for a 20 per

cent reduction in the \$30.6hm

Polish PM in economic

policy promise to IMF

inflation".

His statement to parliament debt owed to the Paris Club of

commits the government to following stringent monetary policies acceptable to the IMF, which is unlikely to agree to any appreciable-increase in next year's budget deficit over

AUSTRALIA

Investment Opportunity

SULPHONATION PLANT

For Sale by Tender as a GOING CONCERN

Under instructions from our client owing to a rationalisation of their

be in the private sector, along with BNP which was sold last month under Mr Pébereau's

As chairmen of private groups, the three will enjoy stability of tenure. "Unlike the public sector where mandates are just for three years, it is very hard to remove chairmen of private companies in France," says

chairmanship.

one French banker. "Mr Balladur is ensuring that he has trusted men in key posts for a long time." In addition to removing their

own groups from the public sector, the new chairmen are likely to provide an important part of a system of cross-shareholdings in privatised groups. Elf-Aquitaine bought just over 2 per cent of BNP when it was privatised and forms part of the bank's bloc of stable, long-term investors.

UAP is expected to be one of the principal institutional investors in forthcoming privatisations, helping to compen-sate for the lack of powerful pension funds to help absorb the sale of shares in public sector groups. The main challenge sary to, avoid conflict with however, is going to be the President Francois Mitterrand and to prevent upsetting the previously worked in an insurpreviously worked in an insurance company, although Mr Didier Pfeiffer, his respected deputy, is expected to ensure a smooth transition. Mr Jaffré at Elf, has not previously worked

in industry.
It is the Socialists, however, who face the more daunting task. Mr Peyrelevade must try to redress the situation at Crédit Lyonnais, which suf-fered losses of FFT1.85bn (£210m) in 1992 and which is exposed to problem loans in property and industrial invest-

In stepping into Mr Haberer's shoes he may feel he drew the trickiest hand in Mr Balladur's reshuffle.

IMF. The commitment led Mr

Pawlak yesterday to amnounce

a markedly lower-than-expected pensions increase next

year, in spite of previous demands from the govern-

ment's own trade union sup-

At the same time Mr Pawlak told the western banks grouped in the London Club,

who are owed \$12.3bn by

Poland, that the new govern-

ment would continue like its predecessors, to look for a reduction "comparable" to the

This is being resisted by the

Paris Club agreement.

porters for rises.

Ukraine fears economic collapse

THE Ukrainian parliament meets today to discuss an electoral law to allow early parliamentary elections next March, in the wake of a series of draco-

nian presidential decrees. However, the real issue of debate, and the impetus behind the new elections, is the economic crisis. Ukraine is reeling under hyper-inflation of more than 100 per cent a month and a worth-less currency. Fearing monetary col-lapse and potential social unrest, the Ukrainian president, Mr Leonid Kraychuk, signed a series of decrees last week to establish authoritarian control, throwing the economy back into the communist era and overturning the few new economic freedoms granted to Ukrainians over the past year. These included:

shutting down money exchange bureaux throughout the country; permitting currency exchange transactions only for government-authorised imports and exports at fixed central

bank exchange rate: setting wholesale and retail price controls. Prices are to rise with energy cost increases only. Profits are strictly limited: re-instituting the state order system,

which requires most enterprises to sell a portion of their production to the state at fixed prices. But, in defiance of the president's

decrees, the kiev currency auction took place every day last week. Businessmen and currency traders have privately vowed to continue their work closing the Kiev currency auction, even if it is illegal. Unlike Russia,

which determines the market rate for the Ukrainian currency, the karbova-market reforms. There is no large-scale privatisation programme. With the lack of market incentives, widespread industrial shortages and severed trad-ing links, GDP is falling at about 20

per cent annually.

Nor has Ukraine begun to practise budgetary or fiscal discipline. Unable to establish priorities. Ukraine's government of Soviet-style industrialists continues to enhedical elimination. continues to subsidise ailing industries

and welfare programmes. The budget deficit, about 40 per cent of GDP, is financed by the printing presses.

As a sign of the increasing concern felt by the government, Mr Viktor Pynzenyk, former deputy prime minister and a metable conceition candidate in the a probable opposition candidate in the forthcoming elections, recently warned that "inflation and the production downfall have reached such catastrophic proportions that economic col-

immediate future". The latest flurry of decrees is an extension of the government's blunder-

ing policies. In essence, Mr Kravchuk is attempting to decree away inflation and production slumps while continuing his policy of subsidies. As Mr Viktor Suslov, adviser to the government, commented: "No currency regulation will slow down the national currency's

Mr Anatoly Barluk, head of the finance ministry's currency regulation department, denounced the president's decrees and said they "will lead to the total collapse of the economy. He (Mr Kravchuk) is thinking of elections. It's more about politics than economics. But I don't think this will save him. It will lead to either full barterisation. capital flight or paralysis of exports."

Sweden suffers \$60m art theft

By Antony Thorncroft

IMPORTANT paintings and sculptures by Picasso and Braque were stolen from the Museum of Modern Art in Stockholm on Sunday night in Sweden's biggest art theft. The museum's curator, Mr Bjorn Springfeldt, valued the works at more than \$50m but they are so well known that they could never appear again on the open market. The thieves climbed through

a hole in the roof, without setting off security alarms. The eight works taken were the most important in the museum, and included versions of some of Picasso's greatest images, including "La Source" of 1921, and "La Demoiselle" (1929). A bronze sculp-ture of 1941, "Femme Boisgeloup", was also stolen. The two paintings by Braque were "Le Chateau de La Roche-Guyon" of 1909 and "La Nappe Blanche", painted in 1938. The fact that the thieves con-

centrated on works by the two great masters of 20th century art suggests that they were



Bjorn Springfeldt, curator of the Museum of Modern Art in Stockholm, holding postcards yesterday of two paintings by Picasso which were among eight important works stolen

working under contract. Most art thieves operate on the hope of receiving a reward for the return of the paintings, or for the insurance money. There is little potential in speculative

yesterday: "All serious collec- in Japan. Old Master paintings,

But there are stolen works of art which never reappear and which are believed to end up in thefts. As Mr Springfeldt said rogue collections, particularly

tors know these works belong including a Vermeer, were taken in 1990 from the Isabella Stewart Gardner Museum in Boston in the greatest art theft of recent years. They have never resurfaced.

Bulgarian minister warns on economy

BULGARIA'S economy could tip towards hyper-inflation unless the government makes urgent spending cuts and introduces structural reform, a key minister was quoted as saying yesterday, Reuter reports from Sofia.

The finance minister, Mr Stoyan Alexandrov, issued a warning to his fellow politicians after data showed that the budget deficit had exceeded its annual limit two months before the end of the year. "If we do not take real measures in the real economy the worst could happen," Mr Alexandrov told the weekly newspaper, 168 Hours. He was expected to repeat the message in a report to the cabinet, proposing wage and recruitment freezes in the state sector and strict social spending limits to hold down inflation.

"The reality is alarming and the prospects even more so. The tragedy is that we do not have any money," Mr Alexandrov told the paper. "We are on the verge of hyper-inflation and that could come even in the next few weeks."

ADVERTISEMENT

INVESTING IN SOUTH AFRICA

Economic activity will improve gradually in 1994

Dr Chris Stals. Governor of the South African Reserve Bank, talks to John Spira, Business Editor of a leading Johannesburg newspaper.

Spira: How will the lifting of sanctions after the Reserve Bank's monetary policy?

Stales it is obviously a positive development, though I must warn against expectations of an economic miracle following the improvement in global sentiment towards South Africa. Concrete results, such as an improvement in our foreign reserves and a lowering of interest rates, won't come overnight. Although the Reserve Bank might relax its restrictionist monetary policy a little more, it needs to be overnight. Attabogat the Reserve mank inight relax in restrictionist monetary policy a little more, it needs to be appreciated that it is markets that determine interest rates and

not the Reserve Bank.
Essentially the objectives of monetary policy will remain largely unchanged — to keep the real exchange rate of the largely unchanged — to keep the real exchange rate of the rand as stable as possible and continue the fight against One of our main priorities is to build up the level of our

foreign exchange reserves. Currently at one and half months of imports, the reserves should, ideally, be sufficient to cover

the imports, the reserves should, ideally, be sufficient to cover three months of imports.

The lifting of sanctions doesn't necessarily mean that South Africa will receive a meaningful capital inflow. At the same time, however, a very important hurdle has been removed and this can have an important psychological effect.

Yet the bottom line is that we cannot change monetary policy on the basis of statements made. Policy will be tailored by the deeds that flow from these statements.

Spira: The way now seems to be open for World Bank and IMF funding, with, however, developments on the South African political front perhaps the only obstacle. What is the current position?

Stals: South Africa faces a difficult situation over the next six months, with changes in the constitutional structure and the

election campaign.

The LMF and the World Bank have long indicated that they want political consensus from South Africa before they are prepared to approve loans. The problem has been in defining political consensus and how to convey this in a legal it has eventually been decided that the approval of the

transitional Executive Committee (TEC) will be sufficient evidence of political consensus. I sincerely hope that the TEC will soon be established and that it will be able to endorse

South Africa's funding applications.

To wait for a new government would take too long, because we need to finalise the situation before the end of the year. This is because the compensatory contingency financing facility is provided by the IMF on the basis of a predetermined formula. which says the country must have experienced a negative effect on its balance of payments relating to an external factor over which it has no course!—in this case the drought. The Fund's rules are very clear that this relates to the 12

months preceding the application.

If we don't finalise our application before December 31, the buse period will shift forward by six months and we shall be dealing with the calendar year 1993 — which means that we shall be entitled to less than \$850 million because the impact of the drought on our balance of payments will have been less

Spira: Much specualtion has been directed toward the scrapping of South Africa's dual currency system. When will the controversial financial rand be scrapped?

Stals: The financial rand will remain as long as the domestic political and social instability in South Africa continues. An early end to the dual-currency system is not in the offing. However, the lifting of sanctions and the new interest shown by foreign investors in the country should accelerate the abolition of the system.

We are aware that to attract new investments, South Africa must present a competitive, efficient and well-managed domestic economy to the world.

In the longer run, we must get rid of the hassle of the two-lier the longer rul, we must get rid of the hassle of the rwn-lier exchange rate system now in furce.

But in the meantime, the system provides a compromise between the need to protect foreign reserves, the pressure from non-residents to withdraw their investments and the longer

term needs of an expanding economy for more foreign

The financial rand has been forced on South Africa by extraneous circumstances — the need to protect reserves against distincestments inspired by non-economic factors. The Reserve Bank will monitor market indications with care. Movements in the financial rand exchange rate, esepcially the discount between the financial rand and commercial rand, provide an early indication of underlying trends in the money market, in recent weeks, this discount declined from almost 25 percent to 20 percent.

The extent of the financial rand balances with the commercial

banks is also an important determinant of when the financial rand is likely to be abolished. Those balances are currently wn on what they have been, but they need to come down turners.

A continuing rise in the demand from foreigners for financial rounds to fund new investments would reduce the discount

But a merging of the two exhange rates would not necessarily signal that the time is right to abolish the financial rand. We'd have to be confident that the equilibrium reached was

Spira: Is the South African economy beginning to emerge from its four- and-a-half year reression?

Stals: During the past few months, several short term economic indicators - real retail sales, the physical volume of muning and manufacturing production and new car sales. — have begun to show encouraging signs of recovery. It's a trend that has been supported by a dramatic recovery in agriculture, a higher gold price and a considerably more stable financial envoyronment — in particular, lower inflation. Yet these indicatos do not as yet mean that the economy is

moving upward, since there are no convincing signs of any meaningful improvement in non-agricultural economic Indeed, the exceptionally strong 5.4 percent seasonally-

adjusted annual growth rate of this year's second quarter can be ascribed almost entirely to agriculture and mining. Without these two sectors, growth at a seasonally adjusted annual rate was negative to the tune of 0.6 percent in the second quarter. Regrettably, few factors are present to contribute to a significant and self-sustaining growth phase in the next few months, with the economy still confirmed by negative factors such as the sluggish world economy, the weak financial position of consumers and ongoing violence and political These are contributing to uncertainty and a general lack of

onsumer and business confidence. in the longer term, a gradual turnaround in the negative factors have mentioned, along with a gradual filtering through of the benefits of increased agricultural production to other sectors of the economy, the favourable impact of current and proposed investment projects, extremely low inventories, the need to

international economic relations, are factors which favour a future economic recovery.

I expect 1993 to show little if any economic growth but believe that economic activity will improve gradually in 1994. Much depends on political developments.

ofere equipment and the further normalisation of

Spira: You've mentioned inflation, which is now, at long last, down to the single digit level. What is the outlook?

Stals: South Africa's inflation rate remained relatively high during the greater part of the lengthy recession, mainly as a result of specific events — the Gulf War of 1990, the severe



Dr Cheis Stals

drought of 1991-92 and this year's increase in the rate of value-added tax. In addition, in spite of the sharp rise in unemployment,

labour's real remuneration maintained an average growth rate of 2 percent during the downsman — a rate which exceeded the growth in labour productivity and contributed to a sustained increase in labour unit costs. This, in turn, had a negative effect on price adjustments.

wever, indications are that this trend has been reversed in the past few months — a development which should have a healthy influence on inflation and inflationary expectations. At the same time, we should guard against any premature relaxation of financial discipline. And the strategy of bringing inflation down further should not be left to monetary policy alone. Higher productivity, moderate increases in remuneration

expect the deceleration of the inflation rate to continue for the next 12 to 18 months - a trend which will, however, be disturbed by technical factors from time to time.

Spira: Yet inflation isn't the only consideration in easing up on monetary policy. The balance of payments constraint is perhaps a more crucial factor. How will South Africa

Stals: In spite of the deepening recession, the surplus on the current account of the balance of payments weakened considerably during 1992 and the first quarter of 1993. This development, which is contrary to the normal pattern of the husiness cycle, resulted from a sharp increase in the volume of imports, a continued weakening in the terms of the state trade, lower gold exports and an increase in net foreign service and transfer payments.

Fortunately, the current account surplus improved strongly in the second quarter of this year, mainly as a result of a reversal in various negative foreign trade trends and a significant rise in the volume of merchandise expons. This favourable trend has continued into the third quarter of

the year.

After the capital account of the balance of payments had improved considerably from the beginning of the recession in 1989 until the third quarier of 1992, an increased net outflow of capital began from the fourth quarter of 1992. ndeed, in the three quarters to June 1993, the total net outflow

The net result of the transactions on the current and capital accounts has been that South Africa's reserve position has

Yet I would expect the capital account to improve during the current quarter, with the outflow of capital in the process of decelerating. This, together with significant surpluses on the current account, should result in higher gold and other foreign reserves by the end of the year.

SOUTH AFRICAN RESERVE BANK

P.O. Box 427 PRETORIA 0001 Tel No. (Pretoria) 313-3751 Fax No. (Pretoria) 313-3749

confidential basis from the agents to serious purchasers only ENQUIREES. John W. Leftwich Tel: 61 2 789 6211, Fax: 61 2 718 2243. TENDERS CLOSE: 2pm Friday 7th January 1994. NOTE: The highest or any tender not nec. accepted. PICKLES AUCTIONS PTY LTD

incouring activities

Outstanding features include:

• Modern authorisation plant commissioned in 1990. Featuring the BALLESTRA SOS/Air failing film reactor unit.

• Approx 2.8 tonnes p/in sulphone acid nominal capacity.

• On going requirement by vendor for product.

• Export 6 new market potential.

• Large freehold land parcel and facilities with now for expansion.

• Located 80 minutes from the Sydney Central Business District. Superb road A nall access.

THE FINANCIAL TIMES
Published by The Financial Times
(Europe) GmbH, Nibelungsaplatz 3,
69318 Frankfurt am Main, Germany,
Telephone +++9 69 156 850, Fax +++9
69 3964481, Telex 416193. Represented
by Edward Hugo, Managing Director,
Printer: DVM Druck-Vertrieb und
Marketing GmbH Admirals Recognibil Printer: DYM Druck-Vertrieb und Marketing GmbH, Admiral-Rosendahl-Strasse 3a, 6263 Neu-Isenburg (owned by Hürriyet International).

Responsible Rélior: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SEI 9HL, UK, Shareholders of the Financial Times (Europe) Cambriare. The Financial Times (Europe) Ltd, London and F.T. (Germany Advertising) Ltd, London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number One Southwark Bridge, London SEI 9HL. The Company is incorporated under the laws of England and Wales. Chaluman: D.C.M. Bell.

PRANCE.

Publishing Director: J. Rolley, 168 Rue de Rivoll, F-75044 Paris Cedex 01.

Telephone (01) 4297-0621, Fax (01) 4297-0629. Printer: SA. Nord Ecksir, 15/21 Rue de Caire, F-59100 Roubsix Cedex 1. Editor: Richard Lambert. ISSN: ISSN 148-2753. Commission Paritaire No 679889.

Financial Times (Scandinavia) Ltd., Vimmelskafted 42A, DK-1161 Copenhagenk, Telephone 33 13 44 41, Faz 33 93 53 35.

EC business survey

Optimism is clouded by iobs outlook

BUSINESS confidence in the European Community has picked up as companies become more hopeful about an end to recession. But this has not improved the gloomy outlook for jobs, with nearly half of companies expecting to cut their labour forces during the next 12 months.

These are the main conclusions of a survey, published today, of business opinion in the seven main EC countries. The survey - the UPS Business Monitor, conducted for the USbased United Parcel Service by Harris Research - points to widespread disillusionment with the effects of the single market programme. However, there is relative confidence that plans to create a single currency will eventually produce results, despite the exchange rate mechanism

upsets of the past two years. A total of 58 per cent of respondents believed at least three EC states would create a single currency by 1999, with a further 25 per cent expecting it to happen after that date.

On economic prospects, 56 per cent of executives saw their companies' economic position improving over the next 12 months, up from 38 per cent when the survey was last carried out in autumn 1992. Only 7 per cent expected a worse position, against 19 per

cent a year ago. The survey indicates that the short-term employment outlook is bleakest in Germany and the Netherlands. Across the seven countries, 43 per cent of companies forecast staff cuts during the next 12 months. The same percentage expected to keep numbers unchanged and only 12 per cent reckoned to

take on extra labour. in Germany, 60 per cent of companies expected to reduce staff, a course of action planned by 57 per cent of

cent of Belgian ones. In the UK, where the corporate outlook has shown the sharpest improvement compared with a year ago, 22 per cent expected an increase and 30 per cent a

Employers delivered a rigorthe EC's social chapter: 27 per cent thought it would reduce employment, and only 19 per cent thought it would create jobs. Pessimism was highest in Italy and Spain relatively hope-

Only 5 per cent of respondents blamed EC policies for the Community's economic problems over the past year. At the same time, underlin-

ing disappointment with EC single market policies, 87 per cent saw no noticeable benefits to their companies. Asked movements of goods following the ending of border controls. only 25 per cent of companies said they have lived up to expectations, compared with 67 per cent expecting improve-

A total of 65 per cent of com-panies pointed to high German interest rates as causing problems for the rest of Europe, although most conceded that the Bundesbank was correct to take action to keep down Ger-

Criticism of German monetary policy appeared greatest in Spain, Britain, France and Belgium. By contrast, 55 per cent of German respondents exonerated the Bundesbank from blame for Europe's diffi-

Perhaps surprisingly, 88 per cent of respondents thought German unification brought benefits to Europe, up from 76 per cent a year ago. The approval rating was higher in the Netherlands (99 per cent) than in Germany (98) and was lowest in Italy (77).

Europe's future: the view from the boardroom

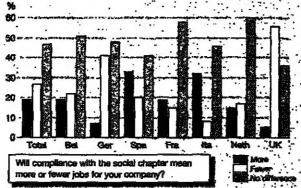


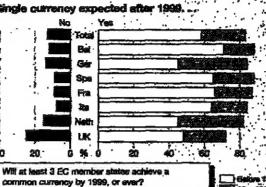
he third UPS survey is based on nearly 1,500 interviews carried out by Harris among EC business leaders between September 6 and October 8, 1993. Respondents were selected from Europe's 15,000 businesses by revenue.

The following countries were included: Belgium (103 interviews), Germany (256), Spain (253), France (258), Italy (255), Netherlands (103), UK (262).

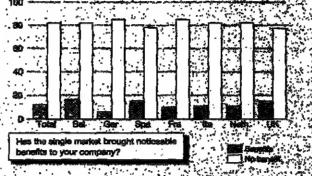
UPS Europe, Whittaker House, Whittaker Avenue. Alchmond Surrey, TW9 1TA. FAX 081 332 8193

As doubts persist over social chapter.

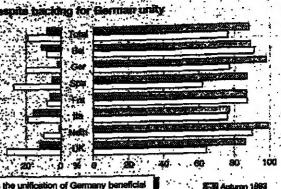




s confidence improves across EC. UK



atthough jobs outlook remains block despite backing for German unity



Britain favoured for manufacturing investment

BRITAIN is reckoned by European business leaders to offer the best potential in the ufacturing investment, nar-rowly pushing Germany into second place, according to the

dents put the UK in first place, compared with 17 per cent for

Spain, and 12 per cent for

Illustrating how European business is focusing on Ger-many's economic problems as well as its potential, 19 per cent of companies surveyed gave the Federal Republic the worst rating among EC invest-

The favourable impression of the UK contrasts with the tom of last year's survey. The jump appears closely linked to the improvement in Britain's economic outlook since it left the European exchange rate

UK respondents in the survey were the most confident about economic conditions,

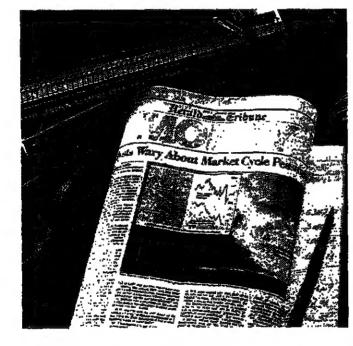
months. This compares with an average of 56 per cent across the seven countries.

Medium-term confidence in the UK economy seems to have greatly increased. Germany still leads

countries expected to show the strongest economic growth the next few years, although its position has deteriorated compared with

Britain, by contrast, has risen strongly in the mediumterm prospects league table, now taking second place. Among executives taking part in the poll, 43 per cent put the UK among countries with the best three-year outlook, against 51 per cent for Germany. A year ago, 71 per cent of respondents thought Germany had the best prospects,

the same for the UK. As far as currency stability the highest confidence by a wide margin - 78 per cent believed the D-Mark would be the strongest currency during the next 12 months and next three years. Only 7 per cent favoured sterling, a percentage shared with the Dutch



The only publication to carry a weekly section on personal investing across national borders.

The Money Report, the International Herald Tribune's weekly section on personal investing, is targeted specifically to the high-net-worth individual with an interest in international investing. It provides a crisp, penetrating analysis of financial products and services available to today's sophisticated. internationally-minded personal investor.

The section appears every Saturday, a day when the IHT's busy readers often turn to personal, rather than professional, financial concerns. Due to increased reader interest in this area. The Money Report has recently doubled in size.

For information about advertising in The Money Report, please contact Simon Osborn in Paris at (33-1) 46 37 94 70 or Patrick Falconer in London at (44-71) 836 48 02.



FINANCIAL TIMES CONFERENCES

THE PETROCHEMICAL INDUSTRY

- Global Prospects Beyond the Recession

London, 22 & 23 November 1993

This year's conference - the fifth in a well received series - will examine the challenges currently facing petrochemical producers and consider the longer-term outlook for the industry. An authoritative panel of speakers will discuss pricing, restructuring and financing and review developments in a number of key markets. Speakers will include:

Mr Robert D Kennedy Chairman & Chief Executive Officer Union Carbide Corporation

Dr Marcello Colitti Chairman, Enichem SpA

Mr Paul du P Kruger Managing Director & Chief Executive Officer Sasol Limited

Dr Hans van Doesburg Vice President, Booz Allen & Hamilton

Dr Naji Amin Atalla Director, Projects Department.

Mr Edward A Wilson Vice President, Strategic Planning Dow Europe SA

Mr Victor Ivanov Chairman, Committee on Chemical & Petrochemical Industry of the Russian Federation

Mr Peter Young Senior Vice President & Head of Chemical Industry Investment Banking Lehman Brothers

Mr Clive H Thompson Vice President, Operations & Supply ARCO Chemical Europe, Inc

Mr Makoto Takeda General Manager, Planning and Development

Gulf Organisation for Industrial Consulting Martech, Inc. A FINANCIAL TIMES CONFERENCE in association with

CHEMICAL MATTERS

THE PETROCHEMICA	L INDUSTRY
Global Prospects Beyond	the Recession

Please send me details about marketing opportunities Please send me details about Chemical Matters

FINANCIAL TIMES CONFERENCES

Y Financial Times Conference Organisation 102-108 Clerkenwell Road, London ECIM 5SA Tel: 071-814 9770. Tix. 27347 FTCONF G. Fax: 071-873 3975 or 071-873 3969 Name Mr/Mrs/Ms/Other

Position Type of Busine



New Zealand bank moves to assure markets

By Terry Hatt in Wellington

DR DON BRASH governor of the New Zealand Reserve Bank, moved quickly to reassure financial markets yesterday that it was "business as usual" in spite of the unexpected political upheavals of the weekend general election in which no clear winner

Dr Brash said the bank would intervene if the dollar fell so far as to effect its antiinflation targets. However, yes-terday the dollar, which initially fell sharply, recovered ground against the US currency. The equity market closed down more than 6 per cent, recovering from a 10 per cent fall at the opening Analysts commented that the mar-

the next few days and the bond market would be watched

The leaders of the four parties now represented in parliament emphasised yesterday that the financial markets had nothing to fear from the minority government The National party won 49 seats on Saturday night, while the opposition Labour and two minor parties the Alliance and New Zealand First have 50 between them.
Mr Mike Moore, Labour party leader, who has 46 seats and refuses to concede defeat, made a highly publicised pil-grimage with his finance

to the Reserve Bank yesterday

to emphasise that his party

icy, with the aim of securing New Zealand low inflation.

Mr Jim Anderton, leader of the two-seat left-wing Alliance party, yesterday reaffirmed his support that National should continue in office as it had won most seats on Saturday. He also praised Prime Minis-

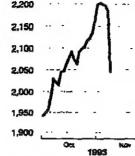
ter Jim Bolger's handling of

the post election situation, while sharply criticising Mr Moore, ruling out any early discussions with his group, Commentators now expect that the Alliance party will allow National to continue to govern, if the present state of the parties remains unchanged spokesman, Dr Michael Cullen, after 200,000 special votes are

> recounts Financial markets were waiting the response from US

counted and following any

NZ 40 Index



changed New Zealand political situation. Some investors fear that the US may react negatively to the possibility that the country's economic reform

haps permanently. However, Asian investors were happy to Wattie Industries. others noted that most of the US investment was in the form

of long term investments. Dealers and brokers expect the nervousness to continue over the next few days as the Americans assess what will be a changed political scene in New Zealand. Even if National increases its majority after special votes are counted, it is considered unlikely that it will press ahead with the next round of reforms.

Key players in the financial markets last night said investors in Australia and Asia had accepted that nothing really had changed, and that it would pay to wait at least until the final outcome of the election is known in 10 days or so. CS First Boston dealer Mr Chris West said that Australian and

watch developments.

"Several said they still liked the New Zealand economic story. However we are very nervous over the way the Americans might react."

Americans have invested beavily in New Zealand over the past four years. They have made no secret of their support for the radical economic reforms instituted by the previous Labour government and extended over the past three years by National.

The reforms have received widespread favourable press in the US where they have been enthusiastically endorsed by the economist Professor Milton Friedman and industrialist Dr Tony O'Reilly, whose company Heinz last year paid NZ\$600m (2226.5m) for food processor

Other companies such as Bell Atlantic, Ameritech, Bell South and International Paper have invested millions in New Zealand over the past four years on the assumption that the reforms will continue,

Early trading in the bond, fixed interest and equity markets was dominated by fears of what offshore investors might

Bond yields rose by nearly 1 per cent, the dollar plunged and the share market fell by 216 points on the NZ Top 40 capital index, as small investors panicked. By midday after the governor's statement the selling pressure eased as off-shore investors remained on

See World Stock Markets and Currencies pages

Beijing to back sweeping reforms

By Tony Walker in Beijing

CHINA'S TOP policy-making body, the Communist party Central Committee, will meet this week to endorse sweeping reforms of taxation, banking and trade.

Chinese officials are describing this plenary session as the most important since the history-making Third Plenum of the 11th Central Committee of 1978 at which the reform drive was launched.

Confirmation that the Central Committee would convene on Thursday came in an article in a Beijing-affiliated Hong Kong newspaper, Wen Wei Po, which forecast Chinese leaders would "take important and breakthrough reform

This latest Central Committee session coincides with an intense debate within the leadership over steps to cool an overbeating economy which is expected to grow by about 13 per cent this year, the same as last

The session is certain to feature spirited discussion between those advocating continued stern measures to combat inflation, and others wanting more liberal credit policies to save faltering state industries further

 Taiwan yesterday refused to concede its right to prosecute suspected hijackers from mainland China, despite pressure from Beijing to send hijackers immediately back for trial under mainland Chinese law, Dennis Engbarth reports from Taipei.

A Zhejiang Airlines Airbus 300 turboprop airliner was hijacked to Taiwan yesterday, the second act of air piracy in less than three days and the sixth this year.

Paradoxically, the two latest hijackings took place as talks were under way in Xiamen between nominally unofficial representatives from Taiwan and China which are aimed at resolving a series of

would not change the act which gives Dr Brash indepenket would remain nervous over dence in setting monetary polmarkets overnight to the programme has stalled, per-Japanese coalition shaken by election loss

By William Dawkins in Tokyo

THE PRAGILITY of Japan's ruling coalition was underlined over the weekend when it lost a local election to a candidate backed by the Liberal Democratic party, the former government

The seven-party coalition, the most popular Japanese government on record, lost the election for the governorship of Hiroshima Prefecture

because it falled to agree on a joint candidate.

Only three coalition parties managed to agree on a name, while the remaining four refused to back anybody. As a result, an independent supported by the LDP, Mr Yuzan Fujita, a former member of the upper house of parliament for Hiroshima, won the vote by a big margin. He polled 392,842 votes to the 280,531 attracted by the three-party

the coalition government will lose the next general election, if it fails to field joint candidates.

A recent projection by the Yominri Shimbun newspaper shows the LDP returning to power with 60 per cent of parliamentary seats if the coalition parties fought an election with individual candidates. An election fought by joint coalition candidates would swing the other way and produce 60 per cent

This adds weight to indications that of seats for the current government. An election is likely towards mid-1994, assuming the government succeeds in getting agreement on plans to reform the political system. The LDP's failure to achieve political reform con-

tributed to its defeat last June. The next test of the coalition's electoral fortunes is due on December 5. when Hiroshima holds a parliamentary



Alexander, Pan Africanist Congress secretary general, walks though the ruins of his house in Ennerdale, south of

State controls 'must be the exception'

would be supervised by a pow-

By William Dawkins

men

393

STATE CONTROLS on Japan's economic activity must become the exception rather than the rule, with "no sanctuaries" from deregulation, Mr Gaishi Hiraiwa, chairman of the Keidanren business federation, said

He heads a governmentinspired panel that has called for a central body to carry out a five-year economic deregula-tion plan. The report follows government departments' resistance to reductions in the extensive powers they apply through regulations. But the

concrete report by the end of

All of Japan's more than 10,000 official regulations should be reviewed or considered for abolition, the report says. It singles out as urgent examples 500 rules, on top of the 94 proposals put forward by Prime Minister Morihiro Hosokawa in the first steps of his deregulation drive in September. They include the rice import ban and the resale price system, which requires some products such as books and cosmetics to be sold at producers' recommended prices.

But regulations in several

or safety is at stake should be relaxed and clarified, rather than considered for abolition. the report says. These include public utilities and oil supply, finance, securities and insur-

ance, land and housing. The tradition of "administrative guidance", used by bureaucrats to wield wide informal powers, should only be applied in a clear manner within the law, the panel added. The proposals would be enacted by a deregulation office, to be set up by next April under control of the prime minister, whose efforts

The establishment of such a body would place the success or failure of deregulation directly in the hands of Mr Hosokawa and his successors, rather than in the government departments concerned.

Even at this interim stage the report has been rewritten after Mr Hosokawa and Mr Hiraiwa rejected a first draft. Mr Hosokawa has told the panel to halve the deregulation timetable from the 10 years that some members of the 15-strong panel of business leaders, economists and former officials

Mr Jiro Saito, vice-finance

Industrial Bank of Japan. Economic realities would prevail and deregulation would be achieved "over time", he said. Mr Jesper Koll, chief economist at SG Warburg Securities in Tokyo, called the report disappointing. "It indicates the... finance ministry is in control over the speed of dere-

"fundamental philosophical

objections" and hoped to implement it "sincerely". The

report bore testimony to the

government's difficulties in

overcoming entrenched inter-

ests, said Mr Susumu Take-

tomi, chief economist at the

PATHWAYS TO PARTHERSHIP.

Every new venture begins with an idea - and

with a risk. Whether that involves international

DG BANK volunteers an operating principle

internationality, expertise and experience,

trade, equity investment, corporate borrowing

concepts of this nature. In addition to

that makes every customer a partner in a

or liquidity management, your

new associate represents an

unknown quantity. So diverging

interests, and the incalculable



singular way. 🗯 We call it

the "WIR PRINZIP", to which

DG BANK and its staff are

wholeheartedly committed. The

at home - in every Volksbank and Raiffeisenbank.

THE PRINCIPLE THAT RAISES PARTNERSHIP TO A HIGH ART

WIR PRINZIP is rooted in the classic tradition human element inherent in every business relationship, present possible impediments of the cooperative system linking equal business partners. And it has a great future ahead to cooperation based on mutual trust. of it. Because it exemplifies the central idea of The necessary rapport is achieved only partnership: that mutual cooperation leads to through analysis of each party's natural self-interest within a balanced concept. mutual success. As a customer you participate in this way of doing business not only through Because both partners want to profit, both the customer-driven service quality of want security. In an increasingly complex DG BANK; you will also find the same partnerbusiness environment, your bank's counselling skills are a vital aid for custom-tailored focused philosophy where it has always been

Headoffice; DG BANK, Am Platz der Republik, D-60325 Frankfurt am Main. Offices in: Amsterdam, Atlanta, Hong Kong, London, Luxembourg, Madrid, Milan, Moscow, New York, Paris, Rio de Janeiro, Tokyo, Zurich.



India opens door to Rs10bn foreign investments

approved foreign investments totalling Rs10.2bn (£220m), including plans for two oil refineries, a steel nill, a cement works and a tyre

The decisions take to about \$3.5bn (£2.3bn), the total amount of foreign

investment approved by the authori-THE Indian government has Mr PV Narasimha Rao, the prime minister, in mid-1991.

This compares with less than \$1bn in the previous decade, but is still well short of the much larger sums invested each year in China, Indonesia and other fast-growing east

The actual flow of direct investties since the launch of reforms by ment has been smaller than the total approved - about \$400m from mid-1991 to the end of May 1993. Final decisions on some larger projects - such as power stations and oil refineries - take time to com-

The latest batch of approvals,

foreign investment on Friday, Hindustan Petroleum. The Indian a Re16.5bn steel mill, in which a include two proposals by the Oman partners, both state enterprises, will group of Indians living in Dubai Oil Company, owned by the Omani bold 26 per cent stakes, with the plan to invest Re4bn, a Re5.35bn government, to take 26 per cent stakes in two 6m-tonnes-a-year oil refineries - one in the central state of Madhya Pradesh, where the part-ner is Bharat Petroleum, and the second in the western state of

rest of the capital to be offered to the public. Oman is considering investing Rs3.47bn in the Madhya Pradesh refinery, which will cost a total of Rs45hn, and Rs2hn in the Rs30hn Maharashtra project.

partners, both state exterprises, will group of indians living in Dubai hold 26 per cent stakes, with the plan to invest Rs4bn, a Rs5.35hn rest of the capital to be offered to cement plant, which will be built with support from FL Smidth, a leading Danish cement maker, and a Rs4bn tyre factory in the southern state_of Tamil Nadu, where the investor is Mr Frederick Harrison,

Rabin in call to EC over exports

SRAEL'S prime minister, Mr Yitzhak Rabin, launched a scathing attack on the EC yesterday, demanding better access for Israeli exports to Buropean markets and more vigorous support for the peace

process.
"The unjustified discrimination against Israel by the EC cannot be tolerated any ionger," he said. "We do not need sympathy, we need deeds and acts to support those who have

taken risks for peace".

Speaking to the Institute for European Studies at the Hebrew University in Jerusalem, Mr Rabin contrasted the economic and political attitudes of the EC with those of the US. While the US provided generous aid and its trade with israel was roughly in balance, surplus of about \$5bn (£3.3bn). He did not expect the EC to match the US, but at least it

Even after a year of talks with the EC, we are still not



Mr Yassir Arafat, chairman of the Palestine Liberation Organisation (above), appeal to the European Union for generous financial assistance for the occupied territories of the West Bank and Gaza, Lionel Barber reports from Brussels. Mr Arafat received a broadly favourable welcome from the 12 foreign ministers. Today, Mr Arafat holds talks with the European Commission. The EU has pledged Ecu500m (£388m) and Gaza, the two areas due to win local autonomy under an

ations," he complained. Bilateral talks on replacing the obsolete 1975 free trade agreement are expected to be completed next year and will concentrate on Israel's demands for improved access for agricultural and high-technology products.

agreement with Israel.

The Israeli leader also wanted a more emphatic Kuropean stance against the con-tinuing Arab boycott. "We do not look to Europe as we do to the US, but we do at least ask them to do the minimum." he said. This meant putting real pressure on the Arab League to call off the boycott of Israel. and also doing more to mute Arab criticism of the peace deal with the PLO.

Mr Rabin stressed the calculated risks that Israel was taking for peace, and thanked Egypt for providing a venue in Cairo yesterday for the resumption of talks between the PLO and Israel. The negotiations, which are due to be completed by December 13, were broken off last week by the Palestinians in protest at Israel's proposals for a redeployment of troops in the Caza Strip and West Bank town of

Defending the Israeli proposals, Mr Rabin said that, if they were implemented, 90 per cent of Palestinians in the Gaza strip would not see an Israeli soldier from sunrise to sunset. The latest round of talks are being held at a secret venue in Cairo in order to avoid media

Crackdown on Kikuyu tribe

KENYA police have arrested everal leading members of the majority Kikuyu tribe in what seems a vendetta spurred by President arap Moi's government, Leslie Crawford reports from Nairobi. The president, who leads a coalition of minority ethnic groups, has ordered crackdown on instigators of ethnic clashes. Police apparently see this as an order to detain Kikuyus.

Coca-Cola invasion starts to worry businessmen

Stefan Wagstyl reports that much of industry will be hard-pressed to compete with rising imports

THE appearance of Coca-Cola bottles in Indian shops makes Mr Rahul Bajaj, a leading

The US drinks group last month muscled its way into India by buying out Parle, the country's top cola company, for \$40m. Mr Bajaj, chairman of Bajaj Auto, the world's largest scooter maker, is concerned that other Indian companies may suffer Parle's fate. He says: "There's no level playing field between Indian companies and foreigners. In one stroke, Parle as a company has disappeared. If this happens to several companies, will it be good for India?"

Mr Bajaj is not alone. At a meeting last month of the

bers of Commerce, Mr Fredie Mehta, an economist and senior executive of Tata, the diversified steel and engineering-based grouping, said in a speech that the "critical question before a number of captains of industry is: 'How long will Indian industry remain

The question has a wide resonance in India, which until a decade ago made national self-sufficiency its guiding light. The liberalisation which started in the 1980s and gathered pace in 1991 has long provoked opposition from those who feel threatened by the change - trade unionists. unior-level bureaucrats, and

left-wing intellectuals.
The Bharatiya Janata party,
the right-wing Hindu opposi-

tion party, has tried to capitalise on these sentiments by accusing the government of being favouring foreigners at the expense of Indians. However, until this summer.

top industrialists generally publicly supported reform, including moves to open the Indian economy to foreign trade and investment. Whatever reservations existed largely remained unspoken. But, in the last few months, some leading industrialists have begun to question publicly the pace of liberalisation. The true impact of increasing competition from imports is beginning to dawn. Even though the flow of foreignmade goods is still very slow, because of continuing tariffs

and restructurings, the busi-

ness studies commissioned by virtually every large group point to one conclusion - that much of industry will be hardpushed to compete with imports when the barriers

Moreover, some business families, which typically run their corporate empires holding 20 per cent or less of listed stock, are seriously concerned about retaining control of their businesses as liberalisation spreads. As one Delhi-based economist says: "The most acute pain is a fear that they cannot pass their business on to their sons and grandsons." Prominent among those

stioning the pace of reform are the heads of some of India's older family-owned groups, including Mr Bajaj, Mr

Govind Hari Singhania, who controls the Delhi-based J K Organisation with interests in tyres and other products, and Mr Lalit Thapar, president of Ballarpur Industries, flagship of a diversified papermaking

These men insist they do not oppose reform. Their arguments are couched in careful language to maximise support and avoid causing unnec offence. Their watchword is a demand for "a level playing

They argue that foreign companies entering India come with all the advantages of operating in the international economy - such as access to the best technology, economies of scale and low-cost capital. Indian companies, by contrast,

uncompetitive environment. Pre-1991 restrictions on private enterprise prevented them from developing world-class plants and products.

These arguments have a political dimension because they echo parts of the eco-nomic manifesto of the BJP, which is broadly sympathetic to promoting Indian-made goods at the expense of foreign

Businessmen with greater faith in liberalisation scorn the. thought that Indian industry is about to be swamped by multinationals. The most enthusiastic supporters of reform tend to be younger executives, often managers at more recently-es-tablished companies, such as Reliance Industries, the tex-

that, competition will cause complaints about the dect of Mr Ramesh Chauhan, the owner of the Parle group, to sell out to Coca Cola Mr Onkar Kanwar, managing director of Apollo Tyres, a rapidly-expanding manufacturer, says: "He is a wise man. He

These men argue that India

needs foreign companies now

to help up-grade skills and technology and bring much-

needed capital. They accept

saw the writing on the wall. He saw he could not compete." However, even the strongest supporters of liberalisation acknowledge that the conservative lobby has highlighted some genuine grievances.

One is a permission grants to foreign companies with partowned Indian listed subsidiaries to increase stakes at a discount to the stock market price. Indian institutions, which dominate the share reg isters, are mostly happy to do this because an increased tment by a foreign group brings growth prospects. Indian entrepreneurs are annoyed because they too would like to raise funds without losing control.

Another frequent complaint concerns import tariffs. Recent tariff cuts created anomalies. In some industries, duties on components are higher than those on finished goods; the idea is to protect domestic component makers but the effect is sometimes to benefit the foreign producer of finished goods.

Businessmen are also irritated with the country's statedominated banking system, which channels low-cost funds to politically favoured borrowers such as farmers at the expense of large-scale industry. Few foreign companies borrow in India so they do not face the

Proponents of reform argue that, while these complaints are fair, it is quite wrong to use them to build a case for slowing liberalisation. They also say that India's problem is not attracting too much for-Nevertheless, Mr Mehta of Tata believes that unless the concerns of the conservatives are taken into account there is a risk of "some sort of possible backlash against the economic reforms from certain sectors of industry".

Turnout low in Jordan elections

THE PEOPLE of Jordan voted yesterday in the kingdom's first multi-party elections since 1956. A total of 534 candidates including three women and more than 15 political parties were standing for the 80-mem ber Lower House of Parliament which along with the Senate whose members are appointed by the king, forms Jordan's national legislature.

Government officials reported a lower-than-expected turnout. Results are expected

Moslem fundamentalists are tipped to take the largest blocof seats in the new parliament as they did in the 1989 elec-tions. The Islamic Action Front is the biggest and best-organ-ised party. It has 36 candidates standing in 16 out of 20 voting districts and has conducted its campaign on the slogan: "Islam, the solution". Most other parties from Communists to Nationalists have preferred to field candidates as individuals rather than on ideologies.

The outcome of the elections has important implications on the Middle East peace process since the new parliament, which constitutionally has a term of four years, may be asked to ratify a future peace agreement between Jordan and

.The fundamentalists are unlikely to win enough seats to threaten ratification, but their rejectionist stance is a cause of concern to the king. In the last parliament, their opposition to the peace process helped bring down the government of Mr



there's been air traffic to control.

In the 1950's when U.S. commercial aviation called for more effective air traffic control, Raytheon supplied the radars and the displays.

Today, Raytheon continues to meet the challenge of helping to make crowded skies, safer skies all over the world. We have recently modernized the air traffic control systems of Canada, Germany and Trinidad/Tobago. And now we're providing the government of Norway with new radars and their first totally integrated radar and flight data processing systems.

In the U.S. we are a key contributor to the Federal Aviation Administration's new Advanced Automation System, developing and producing automated, large-screen consoles that will give air traffic controllers instant access to a broad

range of critical data.

The world's skies won't get any emptier. So we're constantly planning ahead, challenging ourselves to create new systems advanced enough for the crowded skies of tomorrow.

Send us more challenges.

The same "can-do" spirit that makes Raytheon a leader in air traffic control is also the driving force behind our proven performance in defense, energy and environmental services, electronics, aviation and appliances.

We thrive on challenges. Send us more.

Raytheon

WE THRIVE ON CHALLENGES

unions after Nafta gaffe

THE WHITE HOUSE yesterday chose to characterise as "merely a difference of opin-ion" President Bill Clinton's criticism of strong-arm trade union tactics to persuade members of Congress to vote against the North American Free Trade Agreement.

Towards the end of his Sun-day television interview, the president himself had qualified his attack.

Advised during a commercial break of the initial news agency headlines of his earlier comments, Mr Clinton said: "These guys are my friends. I just don't agree with them on

Mr Mack McLarty, the White House chief of staff, went on television yesterday to deliver the same message. The presi-dent and the unions "shared a lot of common ground," he said, although Nafta was an

Nevertheless, Mr Thomas Donahue, general secretary of the AFL-CIO, the umbrella union organisation, had on Sunday evening accused Mr Clinton of "a cheap shot", one which was "part of a desperate

effort to capture votes". Only a tiny fraction of organsed labour has come out in avour of Nafta, though opposiiar and federal employee

unions has been muted.

More typical was a comment to the Washington Post yesterday by Mr William Bywater, head of the electrical workers union: "I tell any Democrat

am not going to support any of them, period. I will try to get a candidate to run against them in the primary," even if it meant a seat falling to the

Republican party. Meanwhile, one employer with a heavily unionised workforce did come off the fence yesterday in Nafta's favour. United Parcel Service, the country's largest employer of members of the Teamsters union (165,000 out of the company's payroll of 240,000), said that "the trade boom from Nafta will result in hundreds of new UPS jobs," most of them for union members.

Mr Clinton was critical on Sunday of US corporations for not lobbying hard enough in favour of the agreement, though the shift in the UPS position had been decided on Friday. Some substantial bustness political contributors have also privately threatened

who vote against.
The president himself was fully engaged in the lobbying effort yesterday, with three White House meetings and a dinner for 15-20 undecided members of Congress on his

But most attention was focused on tonight's televised debate between Vice-President Al Gore and Mr Ross Perot, the Texas billionaire and last year's independent presidential

The Justice Department ye terday confirmed that the FBI had passed on to Mr Perot a death threat which, he said. came from a "Mafia-like" group

Clinton woos Thrashing out a high-tech funding policy

Louise Kehoe reports on a new US partnership

EELING their way towards a new collaborative relationship between government and industry, senior Clinton administration officials and Silicon Valley high-tech executives gathered in California last week for a "Technology Sum-

This first-of-its-kind event "could not have happened under any previous US admin istration," said Mr Ronald Brown, the US commerce sec-retary. "We have wasted three decades on ideological debate about the appropriate role of government [in commerce] while our international competitors figured that out a long time ago.'

The emerging US flavour of industrial policy is, however, quite distinct from that in Surope and Asia, with their large-scale, government-di-rected technology projects. cted technology projects.
"Technology is the engine of

vate sector that fuels the engine that pulls the train." Mr Brown said. However, the US government had a new role to play by creating an environ-ment for international competitiveness and priming the pumps with research funds aimed at accelerating develop-ment and commercialisation of

promising, high-risk technolo-

gles likely to spur US growth. In the past, US government technology spending was pri-marily defined by military goals, said Mr Stephen Cohen, co-director of the Berkeley Roundtable on the International Economy, the influential think tank that organised the technology summit. "In the

technology adviser. Yet even as US government spending on commercia!

research and development programmes is increasing, practi-

cal questions remain about how to implement this new "partnership" between the US public and private sectors. "As soon as you start shift-'The Bush administration saw no

post-Cold War era," he said, "the US faces the challenge of realigning government research and development

difference between potato

chips and computer chips'

About 41 per cent of the US government's \$76bn research and development budget is spent on civilian or dual-use projects, with the majority going to defence-related research. President Bill Clinton aims to balance the research budget more evenly between

defence and industry. "We can no longer rely on serendipitous spin-offs from defence spending to spawn sector," said Mr John Gibbons.

ing funds from defence vant projects, two questions arise," said Mr John Young, retired chief executive of Hew-lett-Packard. "What are you going to fund, and who is going to be accountable? How are we going to measure results to ensure that the American people are getting good value?"

The National Institute of Standards and Technology, which is operating a pro-gramme of commercial research and development matching grants, will concentrate funding on strategic areas identified by industry groups, said Ms Arati Prab-

the White House science and haker, the institute's director. bursed most of its \$68m funds to 29 companies and corporate alliances. Next year, the Advanced Technology Program spend, and President Clinton aims to raise funding to \$750m by 1987.

identifying areas of technology that will be critical to the future competitiveness of US high technology industries has not been difficult. Several industry groups have drawn up lists of technology areas they consider critical to competi-

Yet, in such fast changing fields, it may prove hard to ensure that the focus of government-funded research remains current and that government programmes keep pace with changing industry views, Mr Young warned.

A big concern is that the ATP will become a high-tech pork barrel programme, says Ms Prabhaker. To avoid this, she is establishing a review system that mirrors the peer review process of academic research. A committee of private sector experts will review grant proposals for technical and commercial feasibility.

Other industry speakers at



Ronald Brown: Technology is the engine of economic growth. It

that the Clinton administration's efforts to move research spending closer to the commercial sector might disrupt the funding of university research. "We have a university research system that is the envy of the world. Don't screw it up!" warned Gordon Moore, chairman of intel, the big US semi-

Despite their words of caution industry executives were generally impressed with the new "Tech Team" from Washing-ton, who showed a thorough knowledge of industry issues Bush administration that saw no difference between potato chips and computer chips," one

Castro turns eye to tourism

Cubs has said that afforts by the US to isolate the country through an economic embargo are instead isolating US business, which is missing investment opportunities in the Caribbean island.

1.726

rackdowl



Fidel Castro: critical of Cuban staff in tourism industry

In several weekend statements, Mr Castro also said Cuban workers were not efficient and praised foreign investors in Cuba for increasing productivity in several sectors, including tourism. He told a group of foreign

By David Pilling in Santiago

THE CHILEAN government

has strongly denied sugges-tions that it is losing the

battle against inflation after a

opportunities in Cuba were and that tourism alone had the potential for \$20hn in new for-

eign busines Opportunities for foreign investment in Cuba were growing so quickly that there would be "not one square metre of beach" left for US companies. Those who impose a blockade, impose a blockade on themselves," he said.

Speaking to a conference of Communist party delegates, Mr Castro said his government was committed to expanding the tourism sector, as it was the only economy activity which could ease Cuba's economic problems.

The Cuban economy, has been under severe strain following the break-up of the Soviet Union, the island's former benefactor, and a poor sugar harvest.

Mr Castro was critical of Cuban managers and workers in the tourist industry, and said resort properties managed by foreign investors were more efficient. Cuba had been "excessively paternalistic" with its workers and had not ever, Cuba 's and will continue being a socialist state."

per cent from 12.7 per cent last

year. Its failure to smother

inflation in 1993 also raises

questions about next year's target of 10 per cent.
Mr Roberto Zahler, governor

In the electronic age, everybody is concentrating on artificial intelligence.



We give you the added advantage of human intelligence.

Everyday the pile of information which you are expected to absorb grows higher and that a vital piece of information is sometimes missed in the mass is not a danger but a frightening reality.

At ABN AMRO Bank, we're fully aware that any financial information we pass on should not only be succinct, but also fully geared to your specific requirements.

And this is where our brain-work comes in. We have dedicated specialists to assist in diagnosing your information needs. So that when we sift through that pile of information we receive each day - and with 1922 branches in 53 countries, nothing escapes our attention - we know exactly what we're looking for. On your behalf.

This doesn't mean we have neglected the opportunities offered by technology. In fact, we have actively welcomed ways of exploiting it. We had a pioneering involvement in SWIFT - today we're the world's largest

SWIFT user - and are now similarly committed to EDI. We have worldwide specialised Cash Management Centers. And we are innovative in tailor-made Cash Management Services such as Payment Administration Service, IATA Currency Clearance Services, and Electronic Cargo Banking. All as part of our determination to become the leading International Cash Management Bank in Europe.

That demands artificial intelligence. And human intelligence. Our challenge, today and into the next century, is to create the synergy and provide the human interface. With you.

CREATING THE STANDARD IN BANKING.



2.6 per cent jump in prices last of the independent central month, the biggest in two bank, called October's rise The sharp rise - dubbed the "pumpkin" because of the Finance Ministry's insistence government to moderate public spending. In particular he criticised the 15 per cent pay rise to 450,000 public sector workthat seasonal factors, such as high prices for certain fruit and vegetables, are to blame -

Chile overshoots

inflation target

for the first 10 months to 11.9 The government is now certain to overshoot its revised 1993 inflation target of 12 per cent. Its original intention was

Mr José Pablo Arellano, budbrings accumulated inflation get director, rejected the governor's arguments. All government spending, including the public sector pay rise, had been fully financed from existing resources, he said.

1 THE FIRST INDEPENDENT RUSSIAN STATES LICENSED AIR CHARTER CO. CHARTER . SALES . MANAGEMENT 1 201 993 93 93 ALG AEROLEASING 65 481 95 22 Geneva 41•22/798 45 10 7 044 216 44 78

ARBENTINA, ARUSTRALIA, ALISTRALIA, ALISTRALIA, BELGRIAN, BRAZIL, BRITISH WEST INDES, CANADA, CHANNEL ISLANDS, CHILE CZECH REPLIEUC, DERLAGAK, ECHADOR, FRANCE, GERLANY, GIBRALTAR, GREAT BRITIAIN, GREAT, BRITISH WEST INDES, CANADA, CHANADA, CHILE, CZECH REPLIEUC, DERLAGAK, ECHADOR, FRANCE, GERLANY, GIBRALTAR, GREAT BRITISH WEST INDES, CANADA, PARAGULY, LINERA, LINERAL, MUSTELANDS, AND ARBEITA, AND STREET, A

BA 'needs 600-seat superjumbo' Japan relives dream

By Paul Betts, Aerospace Correspondent, in Dubai

BRITISH AIRWAYS is putting increasing pressure on com-mercial aircraft manufacturers, including Boeing of the US and the European Airbus partners, to develop a new 600-seater superjumbo aircraft for delivery around the turn of the

century.
Mr Alistair Cumming, BA's director of engineering, told a Financial Times aerospace conference at the Dubai Airshow that BA needed such a large aircraft to reinforce its global strategy. Increasing airport congestion, especially at BA's home base of London Heathrow, could severely handican the airline's future, Mr Cumming warned.

"So much so that we have concluded that we will only be able to satisfy future traffic demands and maintain market share on intercontinental routes with larger aircraft," he explained

Boeing is currently studying with the four Airbus partners, British Aerospace, Aérospa-tiale of France, Deutsche Aerospace and Casa of Spain, possi-



Vision of the future: Airbus Industrie's concept of a 600-seat superjumbo

ble joint development of a manufacturers "had to listen" superjumbo. Both the US company and Airbus are also con-ducting separate studies of their own for a large aircraft. But in the worst post-war recession in the airline market, manufacturers are reluctant to commit themselves on a pro-gramme expecting to cost well over \$10bn (£6.7bn) in research

However, Mr Cumming said

to their customers and their future equipment requirements. The consolidation of the airline industry around a number of giant airline groups was likely to change the relationship between airlines and manufacturers, giving a few big airlines a much greater voice in future product decisions than in the past. "If you put BA and all its airline part-

ners together you are talking of...about 1,000 aircraft of 40 different types," he said.

There was likely to be some rationalisation of this global fleet in the shorter term but in the longer term, as BA develops its integrated global airline system, there would be a huge aircraft re-equipment need for the group which could potentially involve as much as \$50bn

BA is building up its inte-grated global system through its equity partnership in US Air, Qantas and some smaller European carriers.

Other airlines are also forming global groups expected to seek to rationalise their fleets and eventually re-equip them on a more integrated basis. BA has already established a special study team to work

with airframe manufacturers to help design a superjumbo. Initial designs envisage a 600-seat multi-deck aircraft in which the different levels. including the underfloor belly, could be used by passengers.
"Designs also allow for a quick change of cabin configu-

rations because, in a global airline, an aircraft travelling pre-dominantly westbound reoutres a daytime atmosphere. while one flying eastwards requires a configuration more suited to rest and sleep," Mr Cumming explained. With the new large aircraft

BA is seeking a 20 per cent cut in operating costs compared with the Boeing 747 through better fuel efficiency, longer service life and reduced down-

of cheap electronics

M konnosuke man-sushita, the late founder of the electronics company which bears his name, dreamed of making consumer electronics products available in Japan as cheaply and abundantly as tap water. market itself, which is about 800m-900m sets.

With Japanese markets for TV sets and video recorders at saturation point, Matsushita is now gearing up to relive its founder's dream in neighbouring China. Last week, Matsushita

announced it would set up a joint venture facility to produce core components for video tape recorders in the high tech industrial complex of Dalian. The venture with the China Hualu Electron Company, which will manufacture 1.5m VTR components a year, will be Matsushita's 12th facility in China. Ten of those, including the VTR venture above, will be making products for the Chinese market itself, making Matsushita unusual even among Japanese manu-

facturers. Many Japanese companies have invested in southern China as a manufacturing base for export but Matsushita is looking to the future of the Chinese market itself, says Mr Katsumi Tametani at Matsushita's corporate management

Already, China produces 10m TV sets, most of which go to meet domestic demand. In volume terms that is larger than the entire European market, not to mention the Japanese

China's demand for electronics is

greater than Japan's was in the 1960s, says Michiyo Nakamoto

> Meanwhile, penetration of colour TVs is estimated to be as low as 5-6 per cent in rural areas and 7 per cent in the cities. The potential for growth in demand looks far more promising than in the west and Japan, where demand is mainly for replacements. Mr Tametani says that

China, in some ways, is like Japan 30 years ago, when Mat-sushita saw its business expand as Japanese consumer spending began to increase. Just over 30 years ago, sales of colour TVs rose strongly in division for Asla, Oceania and Japan, spurred by the marriage

in 1959 of the current Emperor

and Empress.
But the rate at which Chinese consumers are buying electronics products today is even faster than that seen in

Japan in the 1960s. "If the market develops at this rate it could outstrip Japan in value terms as well," Mr Tametani says enthusiasti-

.. Matsushita is also looking for growth in demand for washing machines and pagers which are in wide demand as there is on average only one telephone per 100 people.

The speed at which the Chinese markets for consumer products are advancing to ever-more sophisticated tech-nology and the rapid development of the domestic industry mean that Japanese companies need to offer greater value to

compete in China. Matushita's VTR joint venture signals a major develop-ment in the Chinese video industry. By joining hands with Matsushita, the Chinese aim to replace some of those imports from Japan with locally produced components. With a 20-year stake in the joint: venture, Matsushita appears to have ensured itself a role in the development of what could become the world's

Russian know-how for Hyundai air deal

By John Burton in Secui

HYUNDAI, South Korea's largest business group, plans to produce pas-senger aircraft using Russian technology in the second Korean civilian aerospace project to be announced within the month.

Hyundai Precision & Industry, which manufactures railway and other transport equipment, will establish a joint venture aerospace company with Yakovlev of Russia in which the Koreans will have a 51 per cent stake. Yakoviev will be responsible for the

design and development of the passeu-ger aircraft based on 150-seat Yak42H and the 30-seat Yak40H. They will be

South Korea wants to be one of the world's ten leading aerospace producers

assembled by Hyundai in South Korea. Hyundai will also establish a global marketing and after-sales network for both the Korean-made airliners and other aircraft produced by Yakovlev. It is the first civilian aircraft

venture for Hyundai Precision, which already assembles military belicopters. It follows last month's announcement by Daewoo Heavy Industries that it plans to manufacture medium-sized ahriiners in co-operation with Aviation Industries of China and Korean Air, the country's main airline.

Daewoo is also negotiating with Hindostan Aeronautics of India and Singa-pore Aerospace to participate in the \$1bn (£870m) project to develop and

produce the airliner that is scheduled to enter service in 1998.

The Hyundai and Daewoo civilian aircraft programmes represent a new departure for the Korean aerospace industry, which now largely consists of assembling US military aircraft, such as the F-16, and the production of civilian airliner components.

The Korean government wants the ntry to become one of the world's ten leading aerospace producers by the year 2020 and has budgeted some won250bn (£209m) for the developmen of a medium-sized passenger aircraft.

NEWS IN BRIEF

Ministers in mission to speed Gatt deal

Ministers from four British Commonwealth countries yesterday began an eight day mission to key world capitals to urge a speedy and successful conclusion of the Uruguay Round of trade liberalising talks, due to end on December 15, Frances Williams reports from Geneva. Mr Branford Taitt, foreign minister of Barbados, told a news conference in Geneva that smaller developing countries. tries such as his own would suffer without a Uruguay Round agreement, which gave them the best hope of fairness and equity

in the world trading system.

The delegation, which also comprises ministers from Ghana, Malaysia and Mauritius, met Mr Peter Sutherland, director-general of the General Agreement on Tariffs and Trada, before going on to Brussels, Paris, Bonn, Washington, Tokyo and London.

ABB buys Czech wire company

Asea Brown Boveri, the international electrical engineering group, has hought Elektro-Prage, a leading Czech manufacturer of wiring accessories, Patrick Blum reports from Vienna.

The price for the company to be renamed ABB Busch-Jaeger Elektro-Prega was not disclosed. A spokesman said the company would work closely with ABB's Busch-Jaeger German subsidiary, and help to introduce ABB products on to the Czech market and in central and eastern Europe.

Pirelli in China joint ventures

Italy's fast-expanding trading links with non-EC countries received a boost yesterday with two joint ventures between the Pirelli tyres and cables group and state-owned partners in China.

The first involves a new L100bn (\$63m) tyre plant to supply the apidly growing Chinese automotive market. The new Beijing plant will have an initial capacity of 1.4m tyres a year. Pirelli will supply technical expertise. The second deal involves a new factory at Houma in Shanzi province to manufacture copper and

Turks to repair Moscow parliament

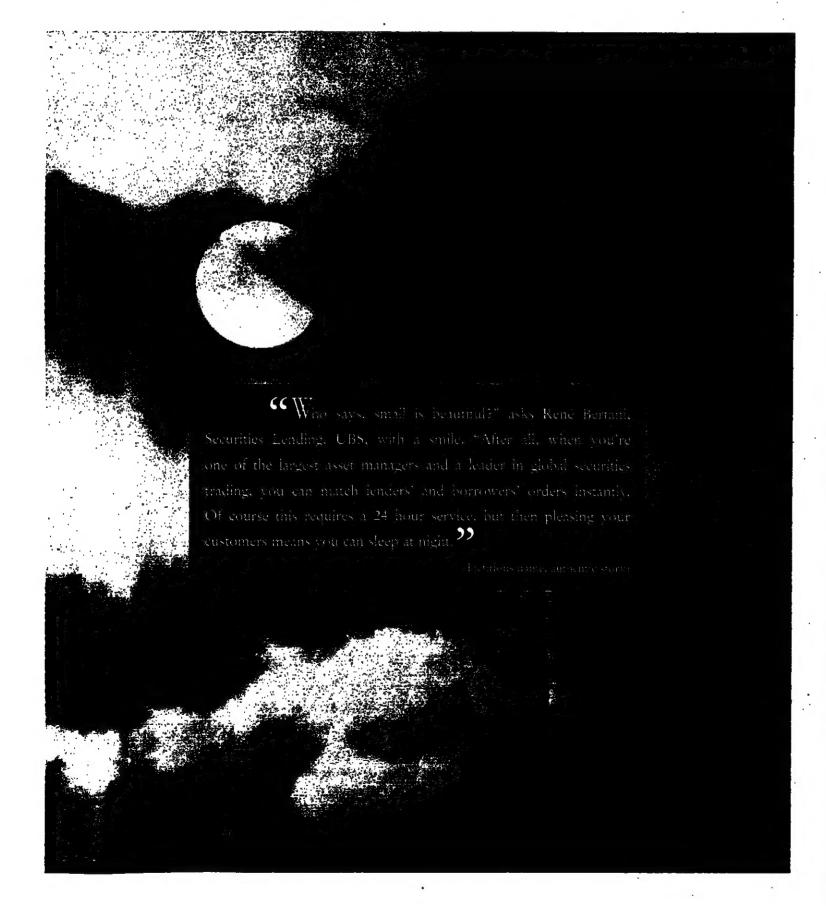
THE RUSSIAN government has awarded Gama Industry of Turkey a \$17m contract for the first phase of repairs to the White House in Moscow, the parliamentary building blasted by tanks and gunfire during the anti-Yeltsin rebellion a month ago.

Gama started work on the building within days of the rebellion ending on October 4 but it only recently secured a contract.

"We started work with only a verbal agreement. There was no time to talk about price and monsy, they wanted the work done quickly so we went shead," Mr Ergil Ersü, Gama's managing director, said. "It was in front of the whole world's eyes, so we had to go ad and trust our client."

About 200 Gama construction workers were already in Russia working on other pro-

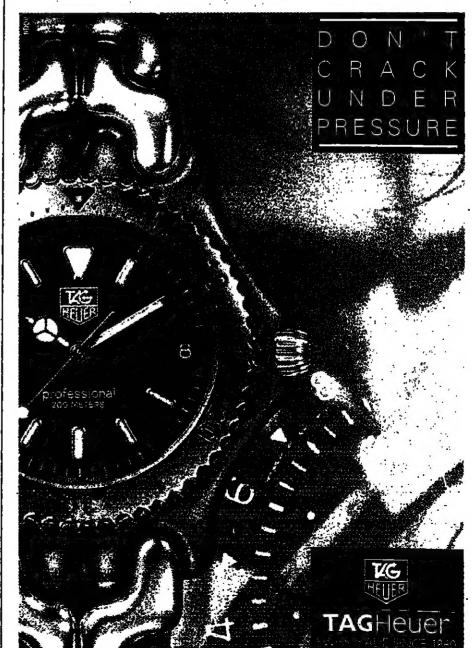
Within a week, a further 500 had been flown from Turkey along with equipment and tools. The company is repair-

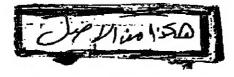


Not banking as usual.

NEW YORK, LONDON, PARIS, FRANKFURT, ZURICH, GENEVA, SINGAPORE, HONG KONG, TOKYO; LUXEMBOURG, MADRID, MONTE CARLO, MILAN, MOSCOW







Press regulation in balance after photo row

By Raymond Snoddy, Kevin Brown, Diane Summers and Stewart Dalby

THE future of self-regulation of the British press was in doubt last night after the three national titles of Mirror Group Newspapers pulled out of the Press Compilaints Commission amid a growing row over pic-tures of the Princess of Wales published in the Sunday and

Mr David Montgomery, chief executive of MGN, said last both the LA Fitness Club in night that the PCC, the industry regulatory body, was finished and accused its chairman Lord McGregor of Durriss of exceeding his powers and behaving unfairly.

The MGN withdrawal, which

could fatally undermine the Commission, came as lawyers writ would be issued today alleging breach of confidence tures were taken and MGN which published them.

Mr Montgomery said last night that the Daily Mirror decided yesterday not to publish any more photographs after the Princess's solicitors declared her "distress and deep for the Princess said that a sense of outrage" over the pictures, taken while she was

Lawyers for the Princess last national heritage secretary. night won an injunction in the High Court preventing further publication of pictures. MGN contested the injunction on the grounds "we have done noth-

ing unlawful."

It is believed that Mr Bryce Taylor, the main owner of the gym, arranged for the pictures to be taken through a hole in the ceiling and sold them for around £100,000.

warned yesterday that the publication of the photographs demonstrated the shortcomings of self-regulation and increased the likelihood of statutory controls on press

Mr Brooke is now expected to produce a much delayed policy document on the press in

Earlier, Lord McGregor had condemned the action of the

Daily Mirror and said advertisers should show there displeasure at an "outlaw" newspaper by withdrawing advertising business.

The Royal Automobile Club and Autoglass, the windscreen replacement company, said they were dropping the Daily Mirror from their schedules but Mr Andrew Brown, chairman of the Advertising Association rejected the call for a general boycott.

The numbers of students enrolled at Britain's "old" universities like Surrey, above, grew by a third in the four years to 1992-93, according to official figures. The biggest growth was in arts subjects (up 36% over four years). "Old" universities exclude those granted university status in the last two years

Ulster peace move falters

By Kevin Brown in London and Tim Coons in Dublin

THE Anglo-Irish peace initiative on Northern Ireland was under strain last night after fundamental differences emerged between London and Dublin over an IRA ceasefire.

Downing Street responded sharply to suggestions by Mr Albert Reynolds, the Irish prime minister, that peace could be achieved by Christmas if the two governments focused on a ceaselire and talks with Sinn Fein, the IRA's

political wing. Officials said that Mr John Major, the prime minister, had ruled out "secret agreements on a ceasefire with violent organisations," and was "wary of false optimism" in Dublin.

Britain in brief

Sir Patrick Mayhew, the Northern Ireland secretary, suggested in Kells, County Antrim, that the timetable outlined by Mr Reynolds could

ninder the peace process.
"I don't think that this is a process that will benefit from governments saying that this must be achieved in a fortnight, or that must be achieved in a month," he said. Sir Patrick tried to minimise the importance of the split by insisting that it was "a mistake to look for evidence of disagreement between the two governments. There is none." However, Mr Reynolds responded swiftly to the British comments. He said in a

statement that "peace cannot wait." He added: "Time is not

The exchanges reflect sim-mering differences between London and Dublin over the framework for the peace process, which was launched by the two governments in Brussels two weeks ago. Sir Patrick reiterated the

British stance yesterday in an article in the House Magazine, a journal produced for MPs.

The government will never negotiate with those who still support threaten or perpetrate violence, or who have failed to show that their disavowal of such evil is for real," he said. Three men were remanded in custody by a special court in Limavady, Co Londonderry, charged with the murders of seven people shot dead nine days ago in the Rising Sun bar in nearby Greysteel.

Hurd attacks Smith over Euro-socialist manifesto

By Lionel Barber in Brussels

MR DOUGLAS HURD, the foreign secretary, yesterday accused Mr John Smith, leader of the opposition Labour party, of recklessness and misjudge ment for supporting support-ing a European Socialist party manifesto colling for a shorter working week.

Speaking after a meeting of European foreign ministers in Brussels, Mr Hurd said that Mr Smith had shown himself a "Socialist first and a represen-

tative of Britain second". European socialists voted unanimously at the weekend festo which called for a reduction in the working week and majority voting in the council of ministers, and threw its full weight behind the goals of a single European currency and foreign policy.

Mr Smith supported the document, but later made clear that the recommendation on cutting working time as a means of safeguarding jobs would not feature in his par-ty's campaign for the European parliament elections next year. Mr Hurd said the UK had fought successfully to exclude majority voting in the Maas-

Conservative party's campaign for the Euro-elections, said the proposals for a cut in working time, for majority voting, and the question mark raised in the manifesto over both British and French UN Security Counstuff for the leader of the opposition", adding that "I think it

is a day he will regret." Tory ministers and backbenchers have been on the offensive since Mr Smith and 18 other leaders of socialist parties in the EC and EFTA countries signed their manifesto for next June's Euro-elec-

Turksto repair **Moscow** parliame

28 2 1 2 2 2 22

14 Sec. 14 14 14

aller a servering the

. . . -- -- ---

Murders hit bookings to Florida

Bookings to Florida for next summer are running at about the same level as last year, suggesting the state is failing to maintain its share of the growing UK holiday market,

travel agents said yesterday.

Airtours, which owns travel chains Pickfords Travel and Hogg Robinson, said about 1.2m summer 1994 holidays to all destinations had already been booked through UK agents - nearly 500,000 more than at the same time last year. Lunn Poly, the biggest travel agents' chain, said the figure could be closer to 1.7m.

Both chains said the recent marders of tourists in Florida and the strong dollar appear to have hit bookings. Ne theless, fears of a sharp fall to UK visitors to the state do not appear to have materialised. they said.

Amec Offshore

faces strike

terms and conditions.

Amec Offshore, the Tyneside

offshore fabrication company, faces an all-out strike over new

in a secret postal ballot its 900. manual workers voted for

strike action over the compa-ny's attempt to make night

shift employees work seven hours a week longer for their present rate of pay.

The company, which recently claimed trade union

intransigence and shortsigh-

tedness" was threatening its

future, says it is only asking its nightshift to be realistic

about the need for cost reduc-

tions and to work "gift hours"

currently paid but not worked.

Green policies

People rate environmental

protection of the countryside as good value for money, the

The public is prepared to nay five times the current cost of conservation schemes to

preserve traditional English

eries & Food. The study, by

the Centre for Rural Reonomy

at the University of Newcastle,

questioned 3,000 people about the value they put on the

landscapes, according to a report commissioned by the Ministry of Agriculture, Fish-

'good value'

government said.

near miss

on our side."

A British submarine was involved in a near-miss with a fishing boat during a training exercise early yesterday.
The Royal Navy said the

Lewis, north-west of Scotland. Audacious who reported she was safe and well.

Vicar told

A country vicar was given six or demolish it. The order was made against the Rev David

It is thought to be the first order of its kind under the Building Act. The local council complains that the listed All Saints Church in the hamlet of population of just 100, is in a dangerous condition.

the gas supply at his nursery near Plymouth, broke down in

The company which installed the heating system denies liability saying that the supply must have been inter-

US 'fads' too common

trade union umbrella body. He said managers were using jargon such as "downskring" or

"rightsizing" to try to hide the harsh reality of job shedding. "These euphemisms are designed to make respectable management policies which fly in the face of developing long-term relationships at work which are essential if Britain is to regain world-class status as an industrial and commercial power," he told a business meeting in London.

management fads and fashions which come across the North Atlantic from the United

Tunnel extras 'add £125m'

Extra tunnels and other route changes which would add 2125m to the £2.5bn cost of the high speed Channel tunnel rail link are proposed in a Kent County Council report.

The report will be put a special meeting of Kent County Council this week and, if approved, will be submitted to the government. The study confirms the county's support for the tunnel link in principle but calls for changes to cut its environmental impact.

Submarine in

incident happened between the Inverness-registered boat Andacious and the fleet sub-marine HMS Valiant 35 miles north-west of the Butt of Officers on the submarine established contact with the

to repair church

crumbling 163-year-old church Saunders by magistrates in

Orchid grower sues over cold

An orchid grower sued for High Court damages over blooms lost when his green-house heating supply failed. Peter Hines claims that he lost orchids worth £93,980 when freezing weather in 1989.

British companies are follow-ing American management fashions to justify the "all too easy use" of redundancies, according to John Monks, gen-eral secretary of the TUC, the

"Too many British compa-nies slavishly follow the latest States," he added.

Second city expects cuts

Expected cuts in the forthcoming UK Budget have led Bir-mingham city council, the biggest local authority in England, to ask all its 11,000 administrative employees if they would be prepared to take early redundancy.

The council said it feared it

could lose £30m in the 1994-95 Budget allocation, but stressed it did not have a target num-

NHK selects France Telecom as European partner for satellite video broadcast.



France Telecom brings the world closer.

France Telecom's expertise in the audiovisual field covers all phases of the video cycle: from image production through broadcasting. Whether transmitting political, sports or artistic events, the extreme flexibility and speed of intervention of France Telecom's specialized units are essential.

They operate worldwide thanks to state-of-the-art transportable and fly-away stations. When events call for it, reaction must be swift, logistical issues must be dealt with efficiently, as well as contacts with French and foreign TV stations.

Yet speed and competence are not enough: in an extremely tough and competitive environment, France Telecom's interventions must also be cost effective. Many clients recognize these strengths. Among them, NHK, Japan's leading public television network, has appointed France Telecom

as main supplier of European sourced TV footage. Every Japanese home has a direct view on Europe.

> For more information call: London: (44 71) 839 25 31 Frankfurt : (49 69) 961 29 20 Brussels: (32 2) 648 02 17 Madrid: (34 1) 577 93 64 Paris: (33 1) 44 44 57 06



France Telecom

Net lending highest for $3\frac{1}{2}$ years

Ry Peter Norman, Peter Marsh

GROWING evidence that consumer demand is proving the main prop of economic of the year and falling short of growth in Britain was supported yesterday by news that net lending to consumers more than doubled in September to its highest figure for more than

But a survey today by the Confederation of British Industry, the employers' organisa-tion, of trading conditions in UK high streets does nothing to alleviate the picture of a patchy and hesitant recovery. In the first in a long line of important official figures to be

published before the November 30 Budget, the Central Statistical Office said that net borrowing by consumers from building societies, finance houses and on credit cards operating the Visa and Mastercard systems jumped to a seasonally adjusted £489m in September from £225m in August.

The increase was partly the result of higher net lending to consumers by finance houses, which, it is thought, reflected aggressive credit sales campaigns by car manufacturers. In addition, there was a turnaround in credit card borrowing, where a net £89m repayment by consumers in August was followed by net borrowing of £106m in September.

The Treasury welcomed the figures as "consistent with the

CBI in its October survey of the retail, wholesale and motor trades, warned that sales in the high street, while growing. were below normal for the time expectations.

The CBI reported that sales in Britain's shops and department stores increased last month at a year-on-year rate that was similar to that in September but below the growth rates recorded during the summer. Although the survey suggested that retailers expect sales to grow more strongly in the year to November, Mr Nigel Whittaker, chairman of the CBI's distributive trades panel, cautioned that expectations have not been realised in six out of the last seven sur-

"Consumer uncertainty about the impact of the forthcoming Budget could also dampen high street trade over the coming weeks", he warned.

The absence of a strong upturn was underlined by pro ducer price data yesterday which showed that inflationary pressures in Britain's factories remained subdued last month. The Central Statistical Office

reported that the price index for home sales of manufactured goods dropped to 4 per cent in the 12 months to October from 42 per cent in the year to September. Prices for raw materials and fuel purchased by industry fell by a seasonally adjusted L1 per cent between September and Octo-

Government backs off London bus plan

GOVERNMENT yesterday retreated for the first time from a commitment made in its general election manifesto by announcing that it would not proceed with the deregulation of the London hus service in the lifetime of the

tary, said that the government would proceed with new reforms of the capital's bussystem; opening up more of the routes operated by London Buses Ltd to competition.

But more radical legislation - which would have allowed any private company to operate a bus service in London -

Gregor, the transport secre-

paign against deregulation by conservative backbenchers and local councillors.

Backbenchers, including Sir Rhodes Boyson, the former Tory minister, had claimed that deregulation would have led to road congestion and fare rises in the capital.

The abandonment of deregulation was one of the clearest ment will avoid introducing legislation which does not com mand the support of a broad

In the last parliamentary session, several key areas of the government's legislative programme, including the ratifica-tion of the Maastricht treaty, were threatened by its thin

hackbench conservative rebels.

mand the support of a broad arrows section of conservative announced plans to push MPs.

Mr MacGregor yesterday announced plans to push ahead next year with the privatisation of the 10 London Buses subsidiaries and the tendering of its bus routes. This could mean that more private compames operate services in colours other than the traditional red.

sion of liabilities have been

agreed, though not disclosed.

RJB believes Clipstone has

potential to be mined for at

least five years. Initially the

company will be unable to

employ more than 150 men underground, because of legal

restrictions, but could employ

at lest 200 in total. Mr Richard Budge, RJB chief.

executive, said he had already

started the process of recruit-ing at Clipstone, aided by the Union of Democratic Mine-

workers. None of the outstand-

ing issues with British Coal

Report counters welfare cost fears

By John Willman, Public Policy Editor

CLAIMS that the cost of the welfare state is rising to levels that the UK cannot afford are countered in a report published yesterday by the Joseph Rowntree Foundation, the social research organisation.

The report appears a day after Mr Michael Portillo, chief secretary to the treasury, said that further increases in welfare spending could take government spending to unsustamable levels.

The foundation says that while Britain's welfare spending has risen sharply over the last three years, it has been stable as a share of national income over the medium term. That share - about a quarter of GDP - is below the level in most other European countries, according to the founda-

The report, based on research by the Welfare State Programme at the London School of Economics, says that claims about the upwards pressure on welfare costs have been exaggerated.

Even with an ageing population and higher pension costs, the share of GDP taken by the welfare state will grow slowly, the report says. If benefit levels were again linked to earnings, the cost of the welfare state would rise by 5 per cent of GDP over the next 50 years.
This is no more than the increase in welfare spending in the last three years, according to Mr John Hills, the report's author. "There is still a wide

range of policy options open to Scaling down the welfare state would hit more than just the poorest in society according to the report, he said. Many relatively well-off people depend on the health service and social security system during times in their lives when

income is lowest. "If the aim of policy remains one of holding down welfare spending as a percentage of GDP, hard choices may have to be made about entitlement to

Animation aims for emotions

A WELSH broadcaster, a Russian film company and the BBC are aiming to cash in on the market for cultural car-

Operavox - a series of six animated classic operas conlensed to half-au-hour - is the result of a collaboration between the Welsh language channel S4C, BBC2, and Rusrian production company Christmas Films. Two films – The Magic Flute

and The Barber of Seville -were produced in Moscow, with the other four - Carmen. Rigoletto, Turandot and Rhi-

negold, made in the UK.

Music for the films, which
are deliberately targeted at a
non-opera-going audience, has
been recorded in Welsh and English by the orchestra and chorus of the Welsh National Opera. Transmission in the UK is set for next Easter.

The companies also announced that they were already in pre-production on six half-hour episodes for a series called The Old Testa-ment – The Animated Tales, set for transmission in



New test for pit closure scheme Terms for a price and the divi-

BRITISH COAL is today expected to signal the closure of its Frickley colliery and the rationalisation, possibly closure, of at least one other as it takes its pre-privatisation closures programme to the heart of Yorkshire in northern England. The announcement that it

wants further talks with unions on Frickley and Bentley later in the week will provide a significant test for the rationalisation programme which started last week with the proposed closure of the Calverton colliery in Nottinghamshire. Yorkshire miners are traditionally the most militant in

Today's announcement follows the disclosure by British Coal yesterday that it has agreed in principle for the first time for a private sector operator to lease one of 20 pits which have been offered for licence in recent months.

the country.

liery in Nottinghamshire

were expected to present any emerge as unions and manageare vulnerable, although it was unclear last night whether

they will be named for further

within the next two months

Today's announcements on Frickley and Bentley will ment discuss prospects for all pits in the Yorkshire region. Union leaders believe that Hatfield and Prince of Wales pits

discussions. The Bentley pit, RJB Mining is expected to heavily dependent on power station sales, may be named for closure, although British Coal may seek to merge it with

Consumer profile emerges of the blooming Third Age

Consumers of all ages say they are confused by manufacturers claims for environmentally friendly prod-

By Guy de Jonquières, Consumer industries Editor above fashion in clothing, are more group is likely to have important have been affected by recession. over the age of 50 say they find life look forward to retirement. And cautious about buying on credit and However, the study says those in economic effects, because weekly more satisfying than ever before, particularly if they are employed. value retailers' efficiency above their the "third age" divide sharply

CONSUMERS over 50 exhibit different tastes, social values, shopping habits and leisure pursuits from younger people, according to a study by Mintel, the market research

company.

Older consumers eat and drink out more than young ones, rate quality

Canon

The study says the number of people in Britain aged more than 50 will increase by 9 per cent during the 1990s, and those in their early 50s will rise almost a third, as the "baby boom" generation grows older. The emergence of this "third age"

expenditure per person, at £124 last year, is highest among those between 50 and 64.

They also spend more of their income than younger people on food, household goods and motoring, and less on housing, fares and clothing. Their spending plans were less likely than those of younger people to

between white collar and professional people in well-paid jobs, who are cushioned by occupational pensions and early retirement schemes, and manual workers and the long-term unemployed, many of But many more men than women

People aged over 50 become less concerned with being seen as successful, stylish or streetwise, emphasising instead qualities such as being trustworthy, responsible, and sensible.

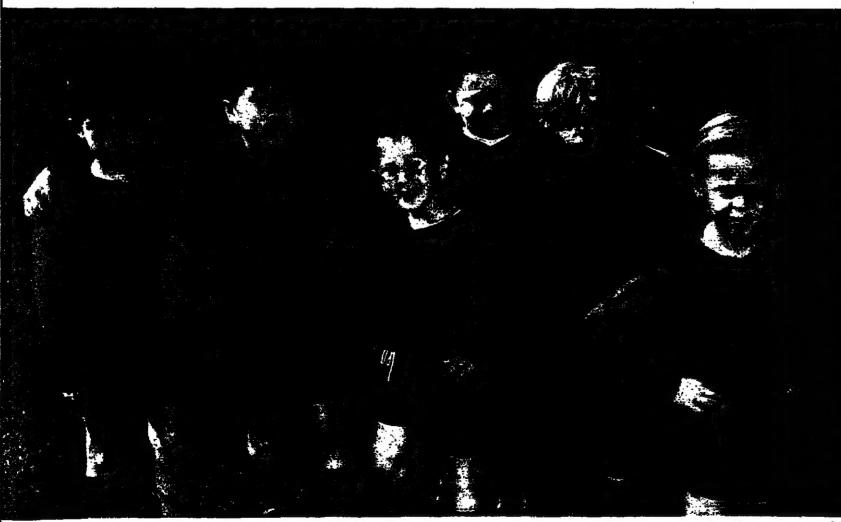
More employed people in their fif-

according to Mintel half those aged between 45 and 54 say they would like to pay for their funerals in advance, but only a third say they have up-to-date wills.

ucts and think them an excuse to

OUR MANAGEMENT TEAM

MANAGEMENT MEANS MORE THAN JUST COPING WITH DAY TO DAY BUSINESS. THAT'S WHY OUR MANAGEMENT TEAM KEEPS A SHARP



To sto by a self bookles outliness Caron's castly, queens theosophy, contact.

Crain Report N.V., P.O. Box 2262, 1180 E.G. Austrianni, The Netherlands

EYE ON THE FUTURE. AFTER ALL, OUR DECISIONS TODAY AFFECT TOMORROW'S WORLD. DECISIONS ON WHICH INNOVA-TIVE BUSINESS PRODUCTS WILL PROVE TO BE MOST USEFUL TO SOCIETY. Which manufacturing processes WILL HELP PROTECT THE ENVIRONMENT. WHICH AREAS OF RESEARCH WILL RESULT IN A MORE PROSPEROUS LIFESTYLE FOR LOCAL COMMUNITIES. WE'VE ALREADY MADE A PROMISING START. WITH MORE ECO-FRIENDLY OFFICE EQUIPMENT. THE DEVELOPMENT OF HEALTHIER COMPUTER DISPLAYS: AND CARTRIDGE RECYCLING. BUT WE'VE STILL GOT A LONG WAY TO GO. EVERY STEP HELPS.



Report

Video with chips

n the infant world of multimedia - where sound, vision, and computing data are converging to create a new branch of electronics - there are plenty of technological hurdles to be overcome before the products

are relevant for most consumers.
VideoLogic, a UK company,
said yesterday that it had removed one by developing comremoved one by developing com-puter chips to speed up and enhance films in software form so their quality on a computer screen is equal to that on televi-sion. This is aimed at helping move multimedia from a niche to a mass market including small histness and home never small business and home users as well as big companies and

"At present," says Trevor Wing, marketing executive of VideoLogic (owned by Avesco), "software video can only play movies at small postage-stamp size. The demand is for full motion and full screen." A video shot at 30 frames a

second drops to only three a sec-ond when blown up to computer-screen size. The new chips, Powerplay and Powerstream -designed with IBM - can be built straight into personal computers' graphic systems to acceler-

ate video speed.
"Publishers will introduce thousands of CD titles during. the next 12 months and many of these will include software mov-

ies," says Wing. The multimedia chips, which will be shown at next week's Comdex computer show in Las Vegas, have stimulated interest smong PC makers worldwide, ha adds. They will be priced low snough for manufacturers to be able to incorporate them into new PCs cheeply. Powerplay will be marketed at \$25 each for batches of 1,000, though companies can negotiate lower prices

ior mass we. Most multimedia applications are in the training and retail areas; new ones will be in computer games, education and publishing. "These new products really fit fairly and squarely in the everyday user category," adds Wing Deliveries will start at the end of January.

Andrew Fisher

ans-loachim Jäger leads the way through the piles of sandstone robble wedged between the remains of the wall anchor which once supported the high altar of Dresden's Frauenkirche and a solitary column. "I promise you, we will rebuild the Frauenkirche," be

says determinedly.
Jäger, an engineer from the east German state of Saxony - the capi-tal of which is Dresden - heads the team charged with restoring the Frauenkirche (Church of Our Lady) to its former glory. Construction took 21 years and was completed in 1743. Allied bombing destroyed it on February 13, 1945.

That night, the inner city of Dres-den was destroyed. Yet the Frauen-kirche, designed by Georga Bähr, survived the impact of the bombs. It was only when fire engulied its interior, causing the steel supports in the construction to expand and the stone surfaces of the columns to chip that the 97m-high edifice caved

The former East German commumist regime decided not to restore the Protestant church or remove the remaining rubble, to symbolise the futility of war. But after unification, the people of Dresden decided to rebuild the baroque church. "It symbolises a new beginning," says

Jäger.
The task of rebuilding the Trauenkirche appears immense. Jäger and his 80 engineers and con-struction workers intend to rebuild the eight columns in the interior and the remaining 16 columns flanking the aisles and sides of the church. The columns were structurally connected to the walls of the portals and corner towers by wrought-iron anchors.

Bahr, who left copious notes on the construction and design of the church, wanted to distribute the load across the 24 columns, with the four corner towers absorbing the weight from the dome. The dome, carved in sandstone and weighing 12.200 tonnes, was Bahr's crowning engineering and architectural feat. With the dome in place, Bähr wrote that the church would have the effect of "a single stone right from the bottom to the top", like the structure of a pyramid.

The weight of the stone dome had caused problems. When the cupols had been first mounted, cracks appeared in the masonry of the sup-porting structure and modifications were made. Further efforts to strengthen the columns and stone work were carried out in the interwar period when damp and cracks were discovered. Between 1939 and 1942, significant reconstruction work was undertaken to reinforce the columns with flat rolled steel

hoops.

Jager betrays no anxiety about the challenge of hoisting the dome



Rising up from Dresden's rubble

German engineers are rebuilding a 250-year-old church destroyed by allied bombing, writes Judy Dempsey

on to the reconstructed pillars. He says the church will be stronger and more stable than the original. thanks to modern technology. Reinforced steel girders, stronger than the wrought-iron anchors, will

support the dome. The reconstruction of the church will be carried out in phases. Initially, all archive material on the original design and construction of the Frauenkirche is being gathered. "We have many of the original plans and designs, as well as numerous photos," says Eberhard Burger, director of the site.

Once this material has been collected, the team will move to the second phase which involves removing 21,200sq m of rubble spread over 3,220sq m. This will take several months. Jäger reckons about a third of the rubble (about 2000) 210,000 pieces) can still be used. The rest is too badly burned or reduced to amail stones or dust. As each stone is removed, it is measured, numbered, described and its location recorded. The information is then fed into a computer. "Slowly, we build up a picture of what stone fits where," explains Burger. One of the many computer print-outs depicts how a column will be partly

reconstructed with the stones pulled out of the rubble. Any missing stones can be replaced by local sandstone quarries.

Many stones, however, are chipped, if not badly damaged by the fire. Again, Jäger says this problem can be overcome. "There is a great craft tradition in Germany. indeed, I believe the craftsmanship tradition has survived longer in eastern Germany because we did not have access to modern technology." He and Burger have been involved in restoring churches in Saxony since the early 1980s. Both engineers say they will not restore any blackened stone to its former light colour. "These burnt scars will

serve as a memory," says Burger. Some of the stones and beautiful ornate work on the Corinthian columns and vases which served as stabilisers and decoration are repaired on site or in workshops throughout Saxony. The craftsmen rely on photographs and designs of the Baroque period on which the Frauenkirche was modelled. They also rely on extensive diagrams from the inter-war years, when repairs were undertaken. Jäger points to some finished sandstone vases. Depending on the complex

nature of the restoration, we can complete some of these repairs

within two days."
Once the rubble has been cleared and catalogued, the team will know what is missing and the extent of the damage. The engineers will have a clear idea about the techno-logical problems involved in rebuilding the structure. "The aim is to secure as much original material as possible so that we can reconstruct nearly an exact rep-lica," says Burger. The team will then start rebuilding, financed, he hopes, by a worldwide fund-raising campaign to collect DM300m (£122m). Jäger says work should be completed by 2002, four years ahead of Dresden's 800th anniversary.

But there are still decisions to be made, particularly for the interior. The organ, played by JS Bach when it was installed in 1736, cannot be

The planners think they will reduce seating accommodation from 2,500 places (in addition to 2,000 for standing) to about 2,000. They dismiss any idea it will be difficult to fill the seats given the

fall in attendances. "The people of

Dresden will come," says Jager.
"That is the least of our problems."

New objective for software

Claire Gooding looks at a flexible program, geared to clients' needs

A Then Software 2000, a US company, tried to assess the evolving needs of customers four years ago, it was faced with a problem. Users wanted constant improvements to their existing packages, while prospective omething new.

To solve the dilemma, Software package using the latest programming techniques of object-oriented software. This would offer companies a more

flexible and simple system.
With the recent launch of its new accounting and software product based on this technology, Software 2000 has become the first software house to bring such

a package to the market. Software programs based on object-orientated design are easy to use, with on-screen icons and windows like most personal computer software of the 1990s. But a big difference is that such programs can be used in many different hardware situations. from mainframe to PC.

in software terms, "objects" are prefabricated chunks of software that can be used again and again, making programs easier to write and maintain. An object view presumes that any transaction or business operation starts with an object and gives a choice of related activities. An object can be any item used by anyone in their everyday work. Activities to do with that object - information, an invoice, even a diary date for a customer - are all options attached to that object. A user simply picks the relevant activity.
All the information about one

object is stored in one place. This contrasts with the usual practice in which each application, such as purchasing, sales and forecasting, is handled separately.

Most object-oriented products on the market are software tools: systems components such as databases and development aids. Many big corporations have adopted the technique to bring disparate applications into line.

Before rewriting its package, Software 2000 asked people at

all levels of responsibility what

they sought from such a system. Everyone wanted immediate access to information, speed and the ability to interact with people on the telephone and deliver information wherever it was needed. "We put our software through its paces in a 'usability lab'," says Michael Hunt.

Software 2000's chief executive. Accessibility to information was the feature that convinced Baxter International, the US healthcare group, to spend an initial \$500,000 (£331,125) on Software 2000's revamped personnel package. Baxter's reorganisation in 1992 emphasised European rather titan local control for operations in the region. Managers in its five business lines became responsible for profit and loss, which made information about salaries and other employment costs a critical

part of the European picture. "We call it a human resources system, but it's really a business system because line managers will have access to it," says Bert den Breejen, Baxter's Netherlands-based director of human resources. Typically of Baxter's new structure, he also has responsibility for

pan-European systems. Den Breeien argues for a devolution of personnel responsibilities to line managers The Software 2000 implementation at Baxter will give up to 1,000 managers easy cess to the European-wide information they need to assess and react to the ever-changing deployment of staff. Previously, the 16 national offices in Europe, all using different personnel systems to manage the 7,000 regional employees, could not supply information to fill vacancies, estimated at between 700 and 1,000 annually. Now, personnel staff will spend less time on administration and more on problem-solving.

The object-orientated software not only capitalised on Baxter's use of existing IBM AS400 computers and PCs, but also allowed for local tailoring for national regulations. No other software supplier, says den Breejen, could satisfy that need with easy-to-use software.



nd a proving ground for the most exciting fleet of aircraft in the Gulf. The latest aviation technology also requires highly skilled maintenance crews who ensure that every one of our aircraft surpasses the world's most stringent safety regulations.

All you have to do is sit back and enjoy the superior service you'll experience aboard all

Kuwait Airways flights to any of over thirty two international destinations worldwide.

Having successfully met the challenges of the past, we are now flying into a brighter future. Providing 2 unique combination of modern aircraft,

traditional Arabian hospitality, and standards of service that symbolize Kuwait Airways today.

We look forward to welcoming you SOOIL

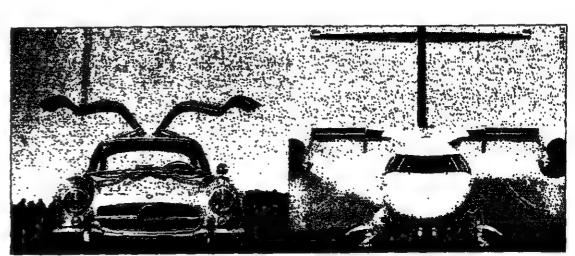




Speed in Germany is serious business. Speed is the product of hard work by the very best engineers. You've seen it brilliantly executed in the classic

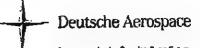
Mercules SL gullwing and now in the new Durnier 328. The Dornler 328's maximum cruising speed of 335 knots enables the shortest flying times in the 30-seater regional airliner class. More time can be saved on the approach to large hubs, because the Durnier 328 can keep up the sweet to slip in between the jets. In saidition, you not only get there faster, you can also get closer to your destination:

The Dornler 328 can serve airports with short runways, even under "hot and high" conditions. Passengers are seated as comfortably as in much larger jets, they can be pampered by the cabin unrendant with meals from the complete galley and even nod off after the dessert: The Durnier 328 files as quietly us a jet. Once again "Made in Germany" is leading by a nose - with or without a star on it.



The classic symbol for German speed. And the new one.

PO. Box 1703



Dependent on the overdraft

Companies must rethink long-term financing, writes Richard Gourlay

wner-managed businesses in the UK are still "depressingly dependent" on the overdraft as a means of financing their long-term development, according to a survey* carried out by the accountancy firm Touche Ross. This reliance increases with

the size of the business, the survey of 264 companies with sales of £5m to £150m shows. The report, however, suggests that banks are becoming more interested in taking an active lending stance. It also shows them becoming more professional in ment of risk, increasingly using computer models to test profit projections

of sound planning.
On the whole, owner-managed businesses appear to be reducing their external borrowing but they remain constrained by high gearing. Peter Morgan, Touche Ross partner responsible for owner-managed businesses in London, says he is pessimistic about the chances of many raising

and demanding more evidence

money as the economy recovers. he says. "But many busines are being run by people who lack management skills. Someone with a reasonable proposition, decent enagement and good advice wili get a hearing from banks."

During the year under review most of the companies in the survey had March 1983 or December year-ends - all but the

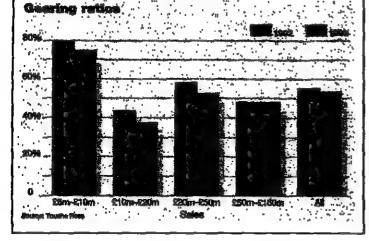
reduced their gearing ratios. The smallest companies remained most heavily dependent on external finance and also formed new funds harder to raise.

All sizes of companies increa their level of trade creditors on average by 10 per cent - but not because they were growing. While squeezing creditors

provided some cashflow relief interest costs were still eating on average a hefty 44 per cent of operating profits. Perhaps the most revealing

section of the report is the list of the methods companies least like to choose to raise money. Businesses most want to avoid factoring, followed by venture and development capital. Leasing and hire purchase came next, with the sale of equity and commercial mortgages "least disliked" apart from the bank overdraft. Equally alarming for Touche

Ross is the apparent lack of professionalism it found. Only a third of companies said they planned to raise new money over the next two years. Yet nearly half expected to grow at between 6 and 15 per cent over three years. Touche Ross believes this is unrealistic. For every £100 increase in sales, it says, an average manufacturing company will need £25 of extra working capital (stock and debtors less creditors), even before increases in capital spending.



As prices for Mittelstand companies tumble, David Waller offers advice for potential buyers

Now's the time to buy German

in decades to buy a small or medium-sized German company.

Recent research* published by Coopers & Lybrand shows that the market for corporate acquisitions has turned dramatically in favour of the buyer. The report suggests that the number of deals in the German mergers and acquisitions market shrank by 12 per cent last year, as the number of companies for sale increased substantially.

According to Peter von Windan, bead of DGM, a large consultancy firm specialising in advising the German medium-sized company sector, prices for companies have dropped between 20 and 40 per cent over the past year.
This reflects the severity of the

conomic downturn, which has forced many owner-managers of Mittalstand (medium-staed) compenies to consider selling up.
Potential buyers are thin on the

ground; bigger German groups, which in better times might have been natural purchasers, have had to pull in their acquisition horns, whilst foreign companies have been put off by Germany's economic ns. Buying a company is not easy and the first piece of advice for a potential buyer is to hire an adviser, preferably one who speaks fluent German or is German.

mentality of the seller. As David. Young of Denische Bank merchant banking subsidiary Morgan Grenfell pointed out at a recent conference, this is likely to be very different from that of the typical buyer, an Angio-American manager working

for a stock-market listed company. The most important thing to know is that money is not every-thing for the owner of a German private company. "A third- or fourth-generation owner often does not need the money and it can be an insult to try to persuade him to talk by promising an excellent price," explains Young.

Loyalty to the company he has huilt up over decades, to the com-numity in which it is based and in which he lives and to the workforce are likely to be more important.

Any proposal with an opportunis-tic, asset-stripping flavour is likely to be given short shrift. As Young puts it, the owner will feel the company is likely to be destroyed, with disastrous consequences for his standing in the local community. "This view is strongest in respect of English and American purchasers who are famed [in Germany] for their abort-termism, he adds. Often, the owner will speak per-

fect English - but do not on that account imagine he thinks like an Anglo-American businessman. The

that whoever attends from the buyowner's sense of self-esteem; never ute would be considered an irrepa rable breach of business etiquette. Aim to develop a relationship

tion is that it is a fairly short step to suggesting that this is backed up with an equity shareholding." Having taken the plunge and received a favourable reply, the

at all. Young recommends. An ini-tial meeting should focus on a more limited objective, such as exploring joint-venture possibilities in a cer-tain segment of the market.

Make sure the agenda for the meeting is established in advance; er's side is senior enough - and old enough - not to deal a blow to the cancel. Cancellation at the last min-

with the target company over the medium-term. "How and where you raise the issue of whether the owner wishes to sell is very like a marriage proposal and very much depends on how the relationship is progressing," he says. "The advan-tage of discussions about co-opera-

would-be buyer will encounter new The key issue is to obtain the elementary financial information which can be used to establish a basis for an offer price. German

companies are required to file a copy of their audited profit and loss account with the German equivalent of the UK's Companies House.

THE LAST THING I WANT TO DO IS TO BUY YOUR COMPANY MEIN HERR; CARE FOR SOME CHOCOLATES AND ROSES? **WOOHNE** OLD BOY!

Lybrand report, though, most com-panies, particularly the smaller ones, pay no heed to these require-ments. Probably 90 per cent of com-panies do not bother with the filing. Having persuaded the vendor to part with his accounts, the purchaser will have to adjust the accounts to reflect commercial reality. German accounts are driven primarily by tax considerations and are likely to understate the company's true profitability. "It is therefore important in price discussions, that both foreign buyers and Ger-man vendors ensure that they are referring to the same figures," Coopers counsels. "This is best schieved by normalising the results and by both parties screeing to the

Perhaps the most sensitive issueis the owner's tax position. Morgan Grenfell's Young explains, many owners of Mittelstand companies have "an obsession with taxes which only comes with living in a country with high nominal tax

Under German tax rules, selling a business outright can give rise to a substantial "wealth tax". But Young says tax considerations may drive many entrepreneurs to sell their businesses next year in the hope of avoiding an extra 7.5 per cent solidarity tax which is to be imposed for one year from January

*Coopers & Lybrand: M&A in Ge

Going solo with business advice

has been slow to get off the ground, is how Geoff Smith, chairman of the Keighley Business Forum in West Yorkshire, describes

So, he says, with northern can-dour: "We decided we would just

et on with our own version." One-stop shops, recently given the brand name Business Link by the government, seek to bring together under one umbrella the array of local business advice organisations. They are generally set up by Training and Enterprise Councils in partnership with local

among 11 shops which have so far received formal approval, but Keighley is not one of them. History might have been differ-

ent if nearby Bradford Tec and its chamber of commerce had been able to unite the local partners last year in time to make a bid. It was then that the Keighley Business

An important consideration was that many services and information sources available 12 miles away in Bradford were not accessible in

economic requirements of the town, the forum established the centre, which opened last month, using contributions totalling £30,000 248,000 from Bradford Tec.

Bolstered by a report into the

from its 85 member companies and Full-time director Isin Copping, who used to work for Scottish &

callers to the relevant experts in the chamber of commerce, Bradford Tec, the local Asian business forum or the local authority's Economic

extends beyond providing advice in a centre. We want to persuade those companies considering leav-ing Keighley to stay and persuade companies thinking of relocation to consider us," says Copping. Not having much spare cash the formal's members have done a lot of

Bradford Tec and the chamber of

SEEKING FINANCE?

Working capital, development and project finance, venture

capital requirements?

Rothberg & Co Tel: 081-440 0055

(Fax: 081-440 0577)

MORTGAGES &

BRIDGING FINANCE

Contact: 061 237 9860

Newcastle Breweries, can direct unpaid footwork. A small deleg tion recently visited the South Afri-

can embassy to discuss possible joint ventures and trade opportunities between the two. Keighley's is a brave effort, but public funding is unlikely until the The ambition of the forum forum can demonstrate to the Department of Trade and Industry that there is an equal partnership with the other players, such as

Lisa Wood

BUSINESS OPPORTUNITIES

READERS ARE RECOMMEDIOED TO SEEK APPROPRIATE PROF

60% + IRR Revealed on BBC 2's Money Programme

Sir John Aird's Investment through Venture Capital Report of £23,000 in Matcon valued at £2.5m+



Monthly report (est 1987) offers 120 selected investment opportunities pa

Phone for free trial 0491 579999 Fax 579825

LOOKING FOR FUNDING? COMPANY

RESTRUCTURING? CASH FLOW PROBLEMS? Experienced firm of management and financial consultants have over the years undertaken many assignments of a difficult nature with successful

We have over 12 years' experience in the field of direct management and raising finance. Our contacts are extensive and have been carefully

We can assist in the preparation of a business plan document which will meet the criteria of proposed leaders/lavestors. Write to: Bux 192029, Financial Thurst, One Southwark Bridge, London SE1 9HL

DO YOU WISH TO IMPROVE YOUR COMPANY'S CASHFLOW! We are an independent, service orientated company who will show you a flexible alternative to inflexible bank facilities MBOs AND ACQUISITIONS A SPECIALTY

TURNOVER £500K. P.A. AND ABOVE ONLY
Write or telephone in the first instance: Scott Bradley or Brian Summer Conservey Invoice Discounting Company Limited 12 St Ann's Square, Manchester M2 7HS Telephone: 081-832 4442 Fax: 061-832 4050 Grant Smale or Richard Ingoldby
Causeway Invoice Discounting Company Limited
7 Hanover Square, London WIR 9HE
Telephone: 071-495 2525 Fax: 071-491 2050

FORESTATION INVESTMENT OPPORTUNITIES IN URUGUAY/SOUTH AMERICA

- No exchange restrictions - Long term loans at low interest Country has many years of experience in Formatation of Eucaliptus and/or Pine for pulp and lumber exports.

For details please contact: GRECUR, AGRONOMY SECTION, Misiones 1481, Montevideo - Urugusy Tel. (5982) 96-10-96 Fax. (5983) 96-25-39

INMICALL CONTROLL

A potential manufacturer is wanted for know-how-transfer of the protection of a full range of injectable preparations in ampoules and vials. (Anti-biotics, anti-inflammatory, steriodals, reades). A pioneer status with all advantages can probably be granted. Emphasis is on technical support. For details contact: GMC Marketing + Consulting, 22149 Hamburg Weddingerweg 64. FAx: 040-8731585 Germany

YOUR OFFICE IN TAX FREE SARK

Tei: 0481 832216

Fax: 0481 832074

FUNDING REQUIRED

Finance Co generating high income business from secured lending, requires capital funds

For details write to Box 82026, Financial Times, One Southw Bridge, London SE1 8HL

"VOSKRESENIE. NEW RUSSIA" monthly

(Former "Soviet Union") is ready to consider any perticular commercial proposition over a

"Voskresenie" Joint-Stock publishing corporation was founded in 1930 as a "Soviet Union" monthly and is distributed in 69 countries.

TEL: (095) 229 1419

Hong Kong OPPORTUNITY

We are seeking a licensee to sarket our world famous mailing & packaging container, in H.K. Japan & Australia already established. No previous experience required ing in Loudon area

plant supplied. Write to Bex 31896. Financial Times, Oue Southward Bridge, Loudon SE1 98L

YOUR PRODUCT AUFACTURERS SOUP LARGE PROFITS TURNOVER MILLION MAIL ORDER SELLS HOMES 12. 0733

341445

HOEAL HOME MAIL ORDER (FT) 9 Flag Business Exchange Peterborough PE1 5TX PUBLISHING

COMPANY ng in TRADE DIRECTORIES ested in somisies additional titles to add to their portfolio or acquiring similar size company.

Write to Box B2020, Financial Time One Southwark Bridge, London SE1 9HL GREETINGS

Well known greeting card publishing company is licensing he distribution of its products on a regional basis. Potential stributors with manageme ability and a working capital of 25-60k are offered a substantia business opportunity with a high income potential. Tel: 061 491 5575

Leasing/Finance Company or Private Investor required to applied in purchase by UK Company of US Manufactured

siot machines to be incated on crules shices. Fact or write quoting net 14100 to: Lavy Geo Chartered Accountants 100 Chaik Farm Road Landon NW188H Fact 071-267 1026

wide variety of business areas.

FAX: (095) 229 0846

MATERIALS SCIENTIST, Phri, ago 43 LOCATED BY GROWN

With excellent knowledge of assegue soumetailie materials and sechnic ramics. Many years of successful statugement experience i ion wavegement, techni ooks to help you in building up a igh for your grape

nguages: Corman, French, English For more information of Bax (Germany) 49/511/8236699

AIRFIELD

Rare investment/partnershir opportunity CAA licensed rechoid Airfield. Complete with fully equipped commercial flying school, restaurant bar, offices hangars, etc. Big potential Principals only please. Write to: Bex 62824, Pinancial Times, One Southwark Builder, London SE1 981.

VENTURE CAPITAL AVAILABLE Minimum of half a million po

naximum 🗗 million. Equity stak required. All replies treated in strictest confidence. Send Personal Flor with Executive nary in triplicate hard copy to Box B1831, Financial Tim One Southwark Bridge, Loudon SE1 9HL

CHANNEL ISLANDS Offshore Company Formation and Administration. Also Liberia. Panama & BVI etc Total offshore facilities and services. Per eletails and appointment write Cuty Trust Ltd., Deletaest House, 2-6 Selmont Rd, St Helier, Jersey, C.E. Tel: 0347 78774, Per 0334 35491 Tix 4192227 COFORM C

WANTED 1000 - 1200 aq ft office spac Kensington/Chelsea/Hammersmiti for professional firm circa 2 years. wibly take up unwanted space of

misting occupant. (No Agents).

Phone 071 373 2934, COMMERCIAL FINANCIAVENTURE

VCR Active prevate investors & companies lane cask in layers. Tel.0491 579999

BUSINESSES WANTED

HIGH QUALITY COLOUR AND COMMERCIAL PRINTERS REQUIRED FOR CASH Substantial Printing Group of Companies wishes to expand

its bese by acquisition. Our client is socking well vith a sound client base preferal in London or the Home Count

> limply to: Martine Bossesio & Co Chartered Accomplisis Tel: 071 497 4383

FOND MANAGEMENT COMPANY WANTED od fund management dos located in Jestey seein to acquire control of fund management company with following characteristics Min. 25 million getter ep

Autos, castencios, prop Write to Bur B1885, Finned Times, One Southwark Bridge, London SEL 961L FORWERLY QUOTED

(full list USM or 535) clean pic company with shareholder list required immediately by existing company with good assets looking for a suitable home Wille to Sox 89023, Firencial Times, one Southwest Bridge, London SE1 SHL

WANTED Old established company with up to date accounts or A controlling interest in a quoted company Please contact: Ref: CTS Tel: 8992 523 882 Par: 0992 523 MG

WANTED Very large coldstore in South East.

Write to Bux 82019, Financial

Times, One Southwark Bridge, London SE1 9HIL Specialist Publisher mail, high-toch, capaniing publishin company wishes to locaraso his range of specialist guidos. Wastid wolcome discussions.

Write to Bex B2012, Financial Times, One Southwark Bridge, London SSI 9HL PHARMACEUTICAL LABORATORY

Details in stricted confidence by G.J.C. Album, Chrisma, Soulciting Ltd., Huckey Tenror, I History Endorge Square, COMMENTAL THE STI STI SOUT

MANUFACTURING BUSINESS

funds seeks to acquire control of UK manufacturing business with

Sales 220-50 million Prefered sectors: auto parts, building materials, chemicals, packaging, shoes Committed seller

Write to Box 82011. Financial Theses, One Southwark Bei Loadon SE1 9HL

INSTRUMENTATION MANUFACTURER

ing yet verstelusem see fini

NJ Charage Cognition Flaters COOPER LANCASTER BREWING Midwyck House EL Aldryck London WCZB-4120 نيفطأ أوفيقه أدارا منسابه المسام فسماحا

PUBLISHING COMPANY WISHES TO PURCHASE Existing regardes ticles

Newsloams R Book catalogues

Bux B2018, Pineacial Times, Osa Continent Bridge, London SE | 941, SITE ACCOMPRODATION/PLANT HIRE BUSINESSES WANTED cultaib Limited, the Plant/Ac Hire Division of Allen Pic, is looking to

coules additional conquestes durang

to UK.

Please reply in confidence to:

Herm opposed by Artifact confide Mr M. J Morgan, Director, Allen Pic, Holly Street, New Springs, Wigan, WN2 1DL

NACHE ENGRAPHENG PRODUCTS We are a group of anali apocialised engineering companies working to R65750 and involved in Marine, construction engineers, wood working machinery and Me want to make a combred water which industrial products
 actifican to high action logy
 Ω-3 milities services
 well defined augher sea

Phones write to Box E2035, Phonecial Times, One Southeart Bridge, Landon SE 1981, PUBLISHERS OF TECHNICAL ACADERET JOURNALS is withing to expend its let through acquisition. Replies with full details in completes confidence in Box B2025, Pinanelal Times, One Southwark Bildige, Landon 8E1 SHL **BUSINESS SERVICES**

Buylog Office Equipment? Wity not call for a FREE Buyers Guide: Fax, office copiers, compact copiers, laser printers, notebook PCs, telephone ystems, franking machine Alt complied by independent

BUSINESS MANAGEMENT INTERNATIONAL

LIMITED

Computer facilities

journalists. Call now on

Management and Accounting Services for your in Bermude Tel/Fex/Telex/Mail Box

Fax: (809) 292-9943 TROUBLESHOOTER

Daily Weekly Contract

TEL: 0707 828960

General Minnagement * Restructur des Development * Sunaggic Plant

Fax: 061 237 9795 Authorised Agent of P.M.C. HARLEY STREET BUSINESS

ADDRESS in additor to our presigious address we offer fully serviced offices, boardroom, secretarial, mail and tree message and telephone service, can be sheemed in your own name. For further

\$ \$ \$ \frac{1}{4}

⊏ =

100

Paris, Soriin, Frankluri, Medrid and 70 other top locations worldwide. Call JAPAN MARKETING RESEARCH CO

Branch formation, accommodation address, Details Target Marketing London and Tokyo Tak 081 841 1641 Pac 081 847 1424

OFFICE EQUIPMENT

BOXED BANKRUPT STOCKS // QUALITY USED OFFICE FURNITURE HUGE QUANTITIES TO CLEAR NOW. Designer meeting mean chairs. Operators / meeting room chairs from... £19.00 Leather high back exec chairs 300 (Board) .. £139.00 350 (Danie) _Black Ash Desks & Pedestal ...£89.00 Oak Desks & Pedestal . 320 (Bears) _ ..£89.00 Many other items available - including Steelcase, Herman Huller, Knoll (Hannah), Flexiform & Sunar

TEL: 081 743 2100 FAX 981 749 9500 **CONTRACTS & TENDERS**

UNIVERSITY OF ULSTER PROPOSED SPRINVALE DEVELOPMENT -FEASIBILITY STUDY

APPOINTMENT OF CONSULTANTS The Council of the University intends to commission a feasibility study into the establishment of a new campus for the University in the Springvale area of Belfast and invites application from organisations which have the necessary expertise to undertake work.

work.

The study will test the validity of the proposed development of a multi-disciplinary campus and will address a wide range of issues such as the likely inture demand for higher eduction in Northern irriand; the possible range and level of academic provision; the suitability of the proposed site; financial, socio-economic, cultural and recreational considerations; physical and infrastructural developments; and the financial, academic and organisational impact of the proposal. Further particulars of the proposal, the terms of reference for the study and information on the format expected for applications may be obtained from: Dr R E McGuigan, Pro-Vice-Chamcellor, University of Utster at Jordanstawn, Share Road, Newtownabbey, Co Antrin B137 OQB. (Tet: 0232-365131 Ext 2164).

ريد رايد در مراجع المستقد مند

PEOPLE

Lee comes out of retirement | Non-executive

Julian Lee is back in business.
One of those who can reasonintroduction from merchant One of those who can reasonably lay claim to having spotted the onset of recession, Lee presided, in 1990, over the highly successful sale of Bri-com, a two-year-old MBO from British & Commonwealth, and subsequently retreated to his working farm in Sussex.

Lee then spent a year at agri-cultural college, and, apart from picking up the non-executive chairmanship of Carpet-land at the beginning of last year, the 48-year-old chartered accountant had stayed out of business. Around six months ago, he started attempting a

British prime minister who tends to be held in higher

regard overseas than at home, has underlined her special rela-

tionship with America by join-ing the international advisory

board of the British-American

chamber of commerce. There are plenty of chambers

of commerce which are bigger

than the British-American

Chamber (founded in 1920) but

its relatively small size is over-

shadowed by the composition of its advisory board, which is chaired by Sir Allen Sheppard,

chairman of Grand Metropoli-

The membership of the 36-

strong board ranges from Sir

Dennis Weatherstone, presi-

dent of J.P. Morgan, and

Reuben Mark, chairman of

Coaches tend to get treated as

an afterthought when the plan-ners sit down to devise or tin-

ker with transport networks.

One proposal currently being

studied is to ban coaches from

the overtaking lane of motor-ways, an idea which would

have a disastrous effect on

Alastair Dick, newly

appointed director of group

planning at National Express, Britain's largest scheduled

coach operator, hopes to change all that He wants to

see the needs of coach opera-

tors taken more into account

and an early task will be to-

fight the overtaking proposal.

their journey times.

Lady Thatcher takes

unpaid job at chamber

Lady Thatcher, the former Colgate-Palmolive, to Iain Val-

board

bankers Charterhouse, eventually found the Hollas Group, a small Manchester clothing and

textiles company.
Tony Lawson, who had been chairman and chief executive, says that, at the age of 62, and after 42 years with the business, he had been considering bringing in a new chief execu-tive, but he had intended to stay as executive chairman. When Lee came on the scene, however, "it was obvious that he was going to be number one. After some thought, I agreed to become non-execu-

lance, chairman of BT, and Sir

Richard Greenbury, chairman

of Marks and Spencer.

Apart from being the first exprime minister to join the board, Lady Thatcher is also

the first woman. Thomas Wyman (right), executive chairman of S.G. Warburg &

Co Inc, has also joined the

Members of the advisory

board are not paid, but the

responsibilities are not particu-

larly onerous. The board only

meets twice a year, once in London and once in New York.

Although some 500 US com-

panies are members of the Brit-

ish-American chamber of com-

merce, roughly twice the number of British corporate members, there are more Brit-

Dick, 57, has worked as an

external consultant to National

Express for some time but has

now been brought on board to

Express at an interesting time

for the company, it was floated on the London Stock Exchange

last December and has since

been expanding, acquiring its Dutch pariner in a pen-Euro-

pean coach consortium and

taking over the operation of

East Midland International

for the past 16 years as an says.

He moves to National

Dick boards National Express

implement his ideas.

tive (chairman)." Roger Wallwork, 60, the finance director, is also retiring and is replaced by Paul Baddiley, 41, who was Lee's

finance director at Bricom, and had previously held a number of financial posts at BTR, In Hollas, Lee has a group with "nil gearing that makes profits in every company", Lawson says, and hence a suitable vehicle for acquisition-led growth. Lee, who is setting up the bare bones of a head office In London, will reveal the substance of his strategy when

Hollas reports its interims at

ish members on the advisory

board. Given Lady Thatcher's

strong following in the US, her

arrival there may help the

its ambition of getting an equal balance on the board.

independent consultant. He

was involved from the cutset

in the passenger and revenue forecasts made for the Channel

Tunnel project and has also

worked on the planning of a

network of toll motorways for

He sees his main task in

bringing together the different

specialists involved in big

transport projects.

The technical side is often

the easiest part but, as the

British government has

Airport lest August recently found to its cost, mak-Dick has a background of ing sure a project will generate more than 35 years in trans-sufficient revenues and finding

port plenning and has worked financial backers is trickier, he

the Hungarian government.

the beginning of January.

directors

Towry Law, one of the UK's largest chains of independent financial advisers, has moved to strengthen its board by appointing two extra non-executive directors: Bill Stuttaford and Clive Gilchrist.

The appointments come in to join the market; until now. the only non-executive direc-

Stuttaford, 64, is a director of Group and several investment House, Gilchrist, 43, has a

Alan Wesley, chief executive

Sir Peter Walters, former chairman of BP, at SAATCHI & SAATCHI COMPANY. Bill Stone has resigned from McCarthy & Stone. Colin Horan, a retired

at EUROCOPY. ■ Lord Colwyn, president of the Natural Medicines Society and the Arterial Health Foundation, at CORTECS INTERNATIONAL

chairman of Birkby and Fairway Frozen Foods, at S. JEROME & SONS (HOLDINGS). Alan Ward, a partner with

at TIPTON & COSELEY BUILDING SOCIETY. Rod Turner at MANGANESE BRONZE, having resigned as finance director in order to join a management buy-in elsewhere:

LEVY GEE

& PARTNERS

ESTABLISHED RESTAURANT BUSINESS

WUSW1 Location

Significant

property asset

Principals only

Box B1899, Financial Times

One Southwark Bridge,

Lundon SEL 9HL

Long Established

Town Centre

RETAIL FURNITURE

Business

Annual sales

£2.8 million (92/93)

Prosperous

Midlands Town

Freehold or Leasehold

available

Write to Box 82000

Financial Ames. One Southwark Bridge.

Landon SET 9HL

PROFITABLE

ENGINEERS

onunity to purchase group of

leunau Inioj - gainstaigne

ELECTRICAL

WHOLESALE

DISTRIBUTOR

FOR SALE

FOR SALE £1.5 million turnover approximately Two premises

the context of the firm's plans Lord Ellenborough has been

Invesco, General Portfolio trusts. He has, however, given up his role with Brown Shipley since the investment manage-ment side was sold to Capital background in pensions and investments and is a vice president of the National Association of Pension Funds.

of Towry Law, says it is impor-tant to the company to be "Cadbury compliant" and have the right numbers of executive and non-executive directors. appointments had areas of expertise which would bring 'added value" to the board.

He highlights particularly Stuttaford's European knowledge, and says that Gilchrist's experience will be important because the company wants to increase the pensions part of its business. Stuttaford says he is keen to take an active role in offering comments and ideas: "I don't see myself just as a

director of Charterhouse Bank,

Michael Woodbead

The Company is based on the South Coast operating from two freshold depots. Turnover is in the Stoy Hayward in Birmingham, region of El million. Offers in excess of £1 million are invited for the shares

Principals only need apply. Write to: Box B2022, Figuretal Time

BUSINESSES FOR SALE

POLISH MINISTRY OF OWNERSHIP CHANGES PRIVATISATIONS THROUGH RESTRUCTURING PROGRAMME

INVITATION TO TENDER

You are a company searching for new strategic fields of expansion or a group of skilled professionals looking forward ring your menagement capabilit

You think that Poland, with its polential and its wide open doors on the world presents interesting opportunit You are looking for a reasonable investment with substantial mid-term value gains generated by your work and

WE INVITE YOU TO PARTICIPATE IN THE "PRIVATISATION THROUGH RESTRUCTURING" PROGRAMME

We offer potential investors of all origins an excellent opportunity to take advantage of the country's transition to a market economy, by means of managing, privatising and in turn earning shares of one of the following small to medium-sized companies that require preliminary restructuring prior to their privatisation:

Company
1 REMA
2 CFM
3 REMOPAP
5 FACH
WELNOPOL
LIZA-THORM
OPS 5 OPP F LILLA-Therm
7/8- OPS & OPSO
9- LZLCCR
10- ELTPA
11- POM
12- KZKSIUD

ion of valves, near and pre-Production of weaving and knigging years in pure week, synthetic or initial fibra

Production of temproof tricks. Production of electrical and electronical components and Hi-Fi equipmen Mantenance of agriculture machinery and production of steel containing

mentioned companies whose capital is currently held by the Polish State Treasury, In accordance with art 23.51 of the law on the privalisation of State-owned companies, subject to the conditions stated in the so called 'Private through Restructuring programme¹. Bids must be received at the ministry before 3:00 p.m. local time, on Friday, December 12, 1953 for companies Nr 1 to 6 and on Monday, January 10, 1994 for companies Nr 7 to 12. However, the Ministry reserves the right to negotiate with the selected offerers and also to dismiss the entire tender procedure without having to justify as decision.

"Business profiles" are available in French, English and Poirsh for each company. Still, independent due difigence concluded by interested invectors is possible and recommended. For information about the programme, its operational modes and participation conditions please contact:

in Pokand ARIA Warteer: u, Jeans 1, Room 430.00-012 Warsaw - phone/lax (48-22) 27 45.31 - Michel Sieradzan ARIA Paznan: ul 28 Coereca 231/209 Room 107, 61-485 Poznan - phone/lax (48-01) 33.17.90 - Krzystof Borowick

Eurogroup Consultants: 17, rue Louis Piougulin, 98360 Levistice | phone (331) 47,58.12.03 - lax (331) 47,59,01.56 - Joseph Fiorentin Danés Consultants: Technopara, Av. des Peupliers. 35510 Cosson-Sévignó - phone (33) 89,83,81.82 - fex (33) 99,83,91.86 - lacted Donin Banque Worms: Tour Voltere, 1 pl. des Degrés, 80056 Pana La Détense - phone (331) 49,07,50,26 - lax (331) 49,07,59,32 - Daniel Godes

Teuche Ross

W. H. Mayes & Son (Windsor) Ltd (In Administrative Receivership)

The Joint Administrative Receivers, K. S. Chaik and N. G. Atkinson, offer for sale the business and assets of the above company which

manufactures materials testing machines and accessories. ■ Annual turnover of £1.75m (30% export).

NAMAS accredited for servicing and calibration.

■ In excess of 20,000 sq ft premises available in Windsor.

Sizeable order book with blue chip UK and European clients. ■ Innovative software development department.

Paris based subsidiary.

For further information please contact Roger Smaridge at the address



Columbia Centre, Market Street, Bracknell, Berkshire RG12 1PA.

Tel: 0344 54445. Fax: 0344 422681.

The state of the s

BUSINESSES FOR SALE

FOOD INDUSTRY BUSINESS

OPPORTUNITY IN GREECE Well known casning factory in

N_ 64

Northern Greece near Salonics specialised in processing and packing fruits in case as well as packing fruits in caus as well as tomato products in assettic pack and caus with a total capacity of 20,000 mious of finished product, successfully exporting to the U.K., Germany, the Netherlands, Italy, Japan and the U.S.A., is looking for either an outright buyer or a merger, preferably a well-established U.K. or foreign fond Councily. or foreign Food Company.

* Exceptionally reasonable price ★ Unique Opportunity

Box B2001, Financial Times, want Bridge, London SEL 960

submarine cable systems.

TECHNOLOGY

APPLICATIONS COMPANY SOUTH EAST.

Highly developed process control systems and instrumentation products; design, electronics assembly, software

engineering and metalwork fabrication capabilities: well established project and maintenance contract revenues; UK and export; £1.5m t/o; energy and utilities customers.

Witte to Box 82016, Financial Times, One Southwark Bridge, London SE1 94L

PUBLIC NOTICES

The Monopolies and Mergers Commission have

been asked to investigate and report on the pro-posed acquisition by Alcatel Cable SA of STC Ltd.

The Commission will be studying the possible effects

of the acquisition on competition in the market for

of reference or to submit evidence should write to: The Reference Secretary (Alcatel/STC). Monopolics

and Mergers Commission, New Court, 48 Carey

Street, London WC2A 2JT (Fax: 071-324 1400). Any

evidence should be submitted by 19 November

BUSINESSES FOR SALE

Appear in the

Financial Times on Tuesdays,

Fridays and Saturdays.

For further information

or to advertise

in this section please contact

Karl Loynton on 071 873 4780 or Melanie Miles 071 873 3308

FINANCIALTIMES

1993. Please quote reference: Alcatel/FT.

Anyone wishing to obtain a copy of the full terms

MMC INQUIRY INTO THE

PROPOSED ACQUISITION

BY ALCATEL CABLE SA OF

STC LTD

PROPERTY

UNIQUE RESORT FOR SALE

FLORDA KEYS WATER/BORT Nationally prominent family bar, beach and marina. Newly renovated 9 acre facility. Nonequity management in piace mable absenter ownership. 700 person scaling capacity, marina 25 berths. World renowned area for sport fishing & diving. Sales \$3.6MM, EBDIT \$630%. Don Grammar \$13 936-1718 Fax: \$13 936-1907

GOING CONCERN

Export/security/high technology Lirl company. Agreed trading tax oss over £300.000. Plus Holding company fully paid capital £220,000 Companies have no order book no debtors. Immed transfer at 10 pence in £1 with no creditors uarentee and audit to date.

Fax: 0779 812 910

Southern based chain OF 9 FISH AND CHIP SHOPS FOR SALE

Write to Box B2030, Financial Times, One Southwark Bridge, London SEI 9HL

SHEET METAL BUSINES WEST MIDLANOS Senuine retirement reason for sak but some senior management.

HIGHLY PROFITABLE

continuity if required. Aftite to Box 82027, Financial Times. One Southwark Bridge, London \$51 9HL

CLAY TARGET Manufacturing facility,

substantial plant, large capacity, Midlands location. £95,000 ono, principals only. Rioplies to Sorc 51828, Financial Times, One Southwark Bridge, London SE1 SHL

MANCHESTER 90 BEDROOM BRAND NEW 2 STAR HOTEL ice: £1.650.000 (freehold

HVAC COMPANY asialistion, commissioning an nce of control systems, T/O

Write to Box 82033, Financial Times, One Southwark Bridge, London SE! 9HL

£350K, looking for outright sale or will

BAA MAGAZINE Advertises

BUSINESS FOR SALE

Duncan Lacey & Bros Ltd

above company as a going concern. Principal features include: Wholeselers and retailers of trozer

for sale the business and assets of the

Turnover approximately \$2.5 million DOL FULLAL

 14,000 sq it of property available Based in Kent

For further details, interested parties should contact Paul M Davis or Ivor B Richards Joint Administrative Receivers, quoting reference number C-2311, at Levy Goe & Partners, Wettern House, 56 Dingwall Road, Crovdon CRO 0XH.

Tel: 061-581 8389 Fax: 061-661 8402

A & M Machining Services Ltd (in Administrative Receivership)

LITTLEHAMPTON **Engineering Machinery Sub-Contractors**

Excellent range of CNC Machine Tools & Tooling **On-Going Contracts** Skilled Workforce Leasehold Factory Premises All enquiries to: Roger Townsend EDWARD SYMMONS

& PARTNERS SURETY HOUSE, OLD REDBRIDGE RD. SOUTHAMPTON SOI ONE, TEL: 0703 779778 FAX: 0703 779010

CASTLETOWN, ISLE OF MAN Castletown Golf Links Hotel

Detached Hotel and Championship Golf Course
58 en suite Letting Bedrooms
Derby Haven Lounge and Fort Island But
5 Function Rooms
Heated indoor Swimming Pool
T/O year end 31.3.93 £1,252,780 esc. VAT

Offers over £2 million freehold Manchester Office Ref. 56/45-133 For further details contact Julian Troup on 061 833 5511

CHRISTIF & C2

FOR SALE: PACKAGING COMPANY

Well established: High Profit and Growth Potential Sales: £8.0m £1,2m Profits: No Borrowing £1.0m Net Cash: Very Strong Cash Flow

<u>alendatae luga da en la la proper de la compa</u>

Poised for next stage of growth and development, sult managem buy-in or trade sale. Principals only. Write to: Box B2025, Financial Times, One Southwark Bridge, London SEI 9111.

Specialist in structured parmonts Well known name with strong in-house design skills serving blue-chip customer base

Business For Sale

Corporate Clothing Business

Sales in excess of £1.3 million pa; achieved Gross Margin up to 40% Freehold property of approximately 1,200 sq metres available Please respond in writing to Andrew McAdam, Ernst & Young Corporate

II Ernst & Young

Finance, Becket House, Lambeth Palace Road, London SEI 7EU, Facsimile: 071-261 1073.

SUPPLIER OF QUALITY WOODEN RIGID FURNITURE

Strong branded product range Major multiple retailer custome base. Extensive production acilities. Healthy and growing demand profile. Full in-house design capability Turnkey EDI distribution ability

Mount Street MANCHESTER 001 200 230

The Monnes Partners

RARE OPPORTUNITY TO ACQUIRE PUBLISHING HOUSE

ITS UNIQUE WELL-ESTABLISHED TRADE PUBLICATIONS COVERING SPECIALIST NICHE MARKET Turnover £310K

HIGH PROFIT MARGINS Reason for sale: Owners winding down towards retirement but subject to contract willing to work with new owners for a period

of up two years in

(12 months to 31/10/93)

sales capacity. Serious offers only by principals will be considered, write Box B2021, Financial Times, One Son Bridge, London SE | 911L

Perfumes

company to include stocks, advertising sales promotion materials, stationery business plan, strategy etc. Audited accounts available.

rademark preferred.

High quality teplica perfume

Share purchase to include Write to Box B2034, Financial Times One Southwork Bridge, London SE1 941L

NURSING AND RESIDENTIAL HOMES

The Joint Administrative Receivers offer for sale three luxurious homes :-

Wyndthorpe Hall Residential Home - 44 beds

Tumover £405,000 per annum.

Fully equipped substantial freehold property set in 14 acres in Doncaster High occupancy

Edengarth Residential Home - 22 Deck

■ Tumover £194,000 per annum Fully equipped freehold property in Doncaster High occupancy

Lennel House

Nursing Home - 66 beds

Turnover £502,000 per annum Fully equipped substantial freehold property set in 28 acres in Coldstream in the Scottish Borders

For further information, contact the Joint Administrative Receivers Andrew Menzies or Neil Tombs of Robson Rhodes

<u>RSM</u>

ROBSON RHODES

Chartered Accountants

Centre City Tower, 7 Hill Street, Birmingham B5 4UU. Telephone: 021-643 1936. Fax: 021-643 4993 Authorized by the Institute of Chartered Accountants in England and Vitales To Jamy on insections by business.

subject to our current Terms and Conditions, copies of which are available by writing to The Advertisement Production Director The Financial Times, One Southwark Bridge, London SE1 9HL Tel: 071 873 3223 Fax: 071 873 3064

All Advertisement bookings are accepted

Cracker,

Telecoms across the borders



decisions. European Court of Justice has inter-preted Rome treaty provisions COURT relevant to cross-border trade and competition in the French and Bel-

gian markets for telephone equip-ment, cordless telephones and walkie talkie radiocommunication

The cases involved prosecutions for possession or marketing of telephone and radiocommunication equipment without the requisite national authorisations or

The court has confined its rulings to confirming that the Euro-pean Commission's 1988 directive on competition in the telecommunications terminals market will be infringed only when such prosecutions are brought in the situation where national standards-fixing authorities also compete as pro-

viders of services or equipment.
The competition rules applicable to public undertakings granted special or exclusive rights by a member country may also be infringed in these circumstances. but not if the body fixing, rather than enforcing, the technical standards in issue is genuinely inde-pendent of any public or private undertaking competing in the relevant equipment or service market.

The court said that approval of equipment by the competent authority of another member country made no difference. In the absence of EC level harmonisation of telecommunication and radiocommunication systems, the approval by one member country did not guarantee that the equipment in question would not interfere with the operation of the systems in other countries with different technical standards.

Where authorisations are required to be obtained from a minister responsible for government radio frequency supervision, the treaty ban on import restrictions does not apply if there is a right to seek judicial review of any refusal. Moreover, the rules on state commercial monopolies do not apply, since there is no discrimination against imports.

In the French cases, the rulings were given in the context of criminal proceedings enforcing the

French law regulating equipment permitted to be connected to the French state telecoms network which prohibits the marketing of telecoms terminals without the

appropriate type approval
The defendants argued that
French law infringed EC directive \$8,301 EEC on competition in the telecoms terminals market on the grounds that the French authority responsible for fixing technical standards was not independent of the body operating the public telecoms network and which itself marketed terminal equipment.

The court said that the 1988 directive required member countries from July 1 1989 to ensure that the fixing of technical standards, their supervision and type approval of equipment were car-ried out by bodies independent from public or private undertak-ings involved in the commercialisation of telecommunications equipment or services.

This requirement was infringed as, at the relevant time, different departments of the French ministry of posts and telecommunications were simultaneously respon-sible for the commercial exploitation of the public network, the fixing of technical standards, supervision of conformity and the approval of terminal equipment.

With regard to the position before July 1 1989, the court confirmed that the EC competition rules applicable to public undertakings were infringed when a member country grants the under taking operating the public telecoms network the power to fix the standards for telephone equipment and to supervise the conformity with those standards by operators with which it competed.

In two Belgian cases, the court said the treaty rules on free movement of goods and commercial monopolies were not applicable in the context of the Belgian law applicable to radiocommunication equipment. However, the Belgian government admitted that the 1988 directive's requirement of independence between regulator and commercial operators was not satisfied by the law after July 1

C-69'91, Decoster et al, C-92'91, Taillandier, C-16 90 and C-93;91. Lagauche et al. ECJ FC. October 27 BRICK COURT CHAMBERS.

estrictions imposed by businesses on employees, preventing them from poaching clients and staff after they have left the company, have produced a steady stream of court battles. But they been seen to be a standy stream of court battles. court battles. But two recent, conflicting decisions by the Court of Appeal have thrown this area of the

law into confusion. In October last year, the court gave a judgment in J A Mont (UK) v Mills that appeared to tighten fur-ther the accepted approach to inter-preting restrictive covenants. The court ruled that where a restrictive covenant imposed by an employer on an ex-employee was clearly too wide and was therefore unenforceable as an unreasonable restraint of trade, the court would not attempt to find within it some narrower and more reasonable restriction that

more reasonable restriction that could be enforced.

But in August this year, in the case of Hanover Insurance Brokers v Shapiro and others, a differently constituted court appeared to cast doubt on what it called the "unsymptotic approach" adopted by the pathetic approach" adopted by the

court in the Mont case. On this occasion, the judges indicated there were circumstances where the court could legitimately look behind what appeared on the surface to be an unenforceable and unreasonable restraint, to find the true intention of the parties. The court also ralsed questions over the enforceability of clauses that seek to prevent the poaching of staff by ex-employees, in the most detailed treatment of the subject by the courts since 1959. While the HIB case does not cre-

ate a precedent, it does make the law of restraint of trade less certain. According to Mr Peter Frost of Herbert Smith, HIB's solicitors, lawyers had always advised their cor-porate clients that restraint clauses had to be drafted very carefully, because any ambiguity would be interpreted by the court in the employee's favour. After the HIB decision, that may no longer be the case. In particular, where the clause has been inexpertly drafted, the courts may now be prepared to give the benefit of the doubt to the

The HIB case concerned four exemployees: Mr Monty Shapiro, the chairman and a consultant, Mr Paul Anscombe, managing director, Mr Peter Rose, a director, and Mr David Knowles, a manager. Each of the defendants had a service agreement with HIB, which contained provisions restricting their activities for 12 months after the termination of their employment.

The action was brought by HIB to enforce those restrictions. The four defendants were trying to carry on a business of insurance broking through another company.

Although the service agreements were not identical, they were Robert Rice explains the confusion over restrictions on ex-employees

When worker turns poacher



broadly similar. The thrust of the restraints was that, for 12 months after leaving HIB, the four men should not canvass, solicit or endeavour to take away from the company the business of any of its customers or clients who had been customers or clients in the 13 months prior to their leaving. They were also banned for 12 months

from poaching any of HIB's staff. HIB obtained an ex parte injunction, which the defendants unsuccessfully attempted to have set side, first in the High Court and then in the Court of Appeal.

The High Court did, however, reject the injunction insofar as it related to poaching HIB staff, and so the Court of Appeal also had to deal with a cross-appeal by HIB. which sought to have the restric-tion on poaching staff reinstated.

The issue of the proper approach to the construction of restrictive covenants arose in relation to the appeal by Mr Rose and Mr Knowles. They had argued that the restraint on canvassing and soliciting was unreasonably wide and therefore unenforceable. This was because the reference in their service agreements was not to soliciting or tak-

ing away from HIB the business of HIB's customers, but to soliciting or taking away from Hanover, HIB's parent, or its subsidiaries the bustness of Hanover's or its subsidlaries' customers. Hanover, the court said, could be described as a conglomerate.

It was conceded by counsel for Mr Rose and Mr Knowles that the "business" referred to in the phrase "canvass, solicit or endeavour to take away the business" was meant to refer to the business of insurance brokerage and not to any other business carried on by Hanover or its subsidiaries.

This was plainly right, the court said, and it followed that the ban on canvassing and soliciting was only meant to apply to HIB's, or Hanover's, insurance broking clients.

Yet at first sight, Lord Justice Nolan said, the covenant was written so as to protect the Hanover group and all its businesses. As such, it was plainly too wide and unenforceable, he said.

To allow the restriction to stand. therefore, would involve the court adopting a more flexible and supportive approach to the interpretation of the restriction than the

According to Mr Frost, the message sent by the court in allowing the Rose and Knowles canvassing restriction to stand was that, where the type of restriction was appropri-ate, the clause had not been drafted by lawyers and, in all the circumoy lawyers and, in all the circumstances of the case, it was clear that both sides knew what the clause was meant to mean, then the court might be prepared to give the employer the benefit of the doubt. But the court was not prepared to adopt the same liberal approach to the construction of the restriction on neaching HIR staff. The indees

on poaching HIB staff. The judges said the restriction as drafted would have applied to all employees of HIB irrespective of their expertise or semiority and would have applied to those who were employees at the time they were poached even if they had only become employees after all the defendants had left

s such it was much too wide and amounted to "a mere covenant against dants", which the court would not

The court was not prepared to accept HiB's argument that an accept HiB's argument that an insurance brokerage and the good-will of its business depended on its staff and that this was a legitimate business interest meriting protection. The court was not even prepared to entertain that HIB had a seriously arguable case on this point sufficient to grant an injunction until the issue could be argued in full at trial.

Having taken a liberal approach on the interpretation of the Rose and Knowles canvasting clause, the court's position on the cross-appeal appeared somewhat contradictory. But according to Mr Frost, the real reason for rejecting the cross-speed was that the court simply did not like this form of restriction.

Citing a 1959 case, the judges said:
"An employee has the right to work for the employer he wants to work for the employer he wants to work to work to work to be the complement to published the comp for if that employer is willing to

employ him."

That must cast doubt on the validity of any clause against the validity of any clause against the poaching of staff, Mr Frost said. Until now it had been flacuent that employers had a legitimate inherent in maintaining the stability of their workforce, particularly where they had invested considerable flare and any one of their resistance of their stability of their workforce. money in training, and that this legitimate interest could be pre-

From now on lawyers would have to advise employers that there was little they could do to stop employees from working for anyone they wanted to work for, he said. Indeed, the BIR buleston. the HIB judgment as a whole will necessitate a reconstruct by leas-ness of its stratesy towards restraints of trade.

court had shown in the earlier Mont | LEGAL BRIEFS



Law Society calls for end to tribunal limits

'i he recent decision of the European Court of Justice.
forcing the UK to remove
the statutory £11,000 cap on
compensation in sex and race discrimination cases, has prompted the Law Society to call for limits to be lifted in all industrial tribunal cases. Mrs Janet Gaymer, a partner

of City solicitors Stameous & Simmons and head of the society's Employment Law Committee, says tribunals cannot offer justice if they cannot offer proper compensation. The present £11.000 limit in non-discrimination cases should be more than £30,000 just to keep pace with wage inflation since 1975, she says. The society believes tribunals should be able to compensate

people in full, whatever the nature of their claim. But if the government is not propored to change the law, it should at least ase the maximum award levels to take account of inflation Industrial tribunals are also hampered, says Mrs Gaymer, because they cannot take account of a person's explings over £206 a week, so sayone carning more thin tis, so a year is likely to lace out. The only correct course for the government is to remove all fault; the laye.

Cadbury rebuff

A servey of 2 the companies in the IEE shows that 42 per act lessessing to comply in tail with the Outbury Heport on corporate governance, to spite of the fact that they will soon have to design to the fact that they will soon have the fact that they was seen to disclose into open places survey, for Locales and Oxforthing fit & Co, able facing that had be per count of compension!

So you count of compension!

seek legal antique will say annual and the per count of compension! contracts of employs

Threat or Opportunity?

How the North American trading bloc will impact your business



The North American trade

The \$6.5 trillion North American economy, with more than 360 million consumers, is the world's largest trading bloc.

North American Business Sourcebook is an essential resource for European business

The Arthur Anderson

leaders seeking direct access to this immense market.

An essential, all-inclusive resource

The 600-page volume features thousands of key resources that can help you get the asswers you need:

- IN THE U.K. AND EUROPE:
- World trade centres Financial institutions Foreign chambers of commerce * Embassies
- IN MEXICO, THE UNITED STATES AND CANADA:
- Trade/professional associations by industry Local and foreign chambers of commerce
- World trade centres International economic agencies Government agencies, ministries and directorates Trade development offices • Embassies
- ON NORTH AMERICAN TRADE:
- On-line trade databases Trade information hotlines International newspapers, magazines and references

The Arthur Anderson North American Business Sourcebook features concise explanations of complex regulations governing:

- e Rules of origin e Acquisitions e Labour e Services
- Disputes a Incorporation a Funding a Engirenment · Exports and imports · Intellectual properties · Taxes Procurement & Taciffs, duties and drawbacks
- · Customs offices and ports of entry

Build a competitive advantage

Use The Arthur Andersen North American Bus Sourcebook to:

- Identify new customers and distribution charmels Locate new low-cost suppliers and raw materials
- Track your current and potential competitors Locate profitable new business ventures

Limited-time offer

- ✓ Special pre-publication prior: UK £120 (a saving of £40)
- ✓ 600 pages, hardcover, special binding
- This authoritative volume published by Triumph Books in the USA - is backed by the global business experience of Arthur Andersen, one of the world's leading professional services firms. .

Access the \$6.5 trillion market: Order now

Fax Your Orden (44) 0732 770-219 Or mail coupon to: Combined Book Services, 40h Vale Road, Tonbridge, Kent TN9 18R, United Kingdom] Please send — copies of The Arthur Anderson North American

Business Sourcebook & UK C120 each to saving or C401 Include UK $\dot{\Omega}_{\rm K}$ for shipping within the UK and UK EID elsewhere ☐ Cheque enclosed (Payable to Combined Book Services) Please invoice my company, Purchase Order Nor-

add UK S handling tee and billing instructions?

Charge for 11 Access. \$\int \text{ Barclaycard} 17 \text{ Mastercard} \$\int \text{Viso}\$ Credit Card No.: Name Address

FINANCIAL TIMES CONFERENCES

in association with

INTERNATIONAL GAS REPORT

THE OUTLOOK FOR NATURAL GAS IN THE 1990s AND BEYOND

Vienna, 13 & 14 December 1993

This high-level conference will review developments in Europe, North America and the Asia-Pacific region, consider supply and demand, and examine the financing of major gas projects.

Speakers will include:

Mr David H Pearce

Shell international Gas Limited

Mr Richard C Green, Jr Chairman & President UtiliCorp United Inc.

Mr Cedric H Brown Chief Executive British Gas plc

Mr Simon Blakey Director - Gas

Cambridge Energy Research Associates Mr Rem Ivanovitch Vjachirev

Chairman of the Board Russian Joint Stock Company (GAZPROM)

Official Hotel #

Dr Fritz Voigt Vice President - Gas Exxon Company International

Mr Peter Melibye President - Natural Gas Statoil .

Mr Djamel Merad Director, Gas Marketing Division Sonatrach ...

Mr Hossein Razavi Chief - Oil & Gas Division The World Bank

Mr H John Hawkshaw Chief Executive - Global Gas BP Exploration Operating Company Limited



THE OUTLOOK FOR NATURAL GAS IN THE 1990s AND BEYOND

Please send me conference details Please send me details about marketing opportunities Please send me details about the International Gas Report

FINANCIAL TIMES CONFERENCES

Financial Times Conference Organisation 102-108 Clerkenwell Road, London ECIM 58A Tel: 071-814 9770. Tix. 27347 FTCONF G. Fax: 071-873 3975 or 071-873-3969 Name Mr/Mrs/Ms/Other Post Code Type of Busin

21

Reviewing Julian Opie and Richard Wentworth, William Packer challenges the 'It is Art if I say so' syndrome

tive exhibition at a major public gallery to be something of an honour, an accolade, a celebration of a life's work. And when the happy artist is but ten years into his career, still in his early thirties, by how much more should his dis-tinction match our astonishment and applause. What new Raphael, and applause, what new raphael, after all, what Van Gogh, what Modigliani has swum into our ken? The reality is rather different.

Julian Opie is 35, a product of the Goldsmiths' College, was picked up by the Lisson Gallery upon his graduation in 1962. Within a year he had enjoyed his first one-man show in London and taken part in group exhibitions at the Tate, Riverside exhinations at the Tate, hiverside and the Serpentine in London, and in Rotterdam. Only a year later he had exhibited in London again, and Cologne, Quebec, Basel, Paris and Tokyo, the next year Sydney, Paris, Ravenna, Jerusalem, and so on ever since. This year it has been Oslo, Copenhagen, Milan, "Machines for Peace" at the Venice Bismale, and now this.

His Juck was to be in the right place, at the right time, with the right people, at just the moment when the great self-fulfilling curatorial imperative of modern British art was again, well, self-fulfilling. The world is so interested in our shown no young painter in its pavil-ion at Venice for more than 20 years. Asked why the Turner Prize should have favoured sculpture so heavily in recent years, Nicholas Serota, of the Tate, said with dis-arming ingenuousness: "Oh, but we are so strong in sculpture at the

moment." It has become a reflex.

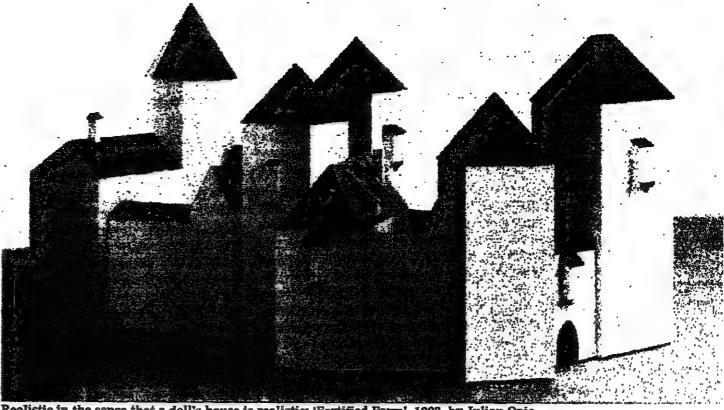
Opie's work has always been idealed, founded in conceits and double-takes, which has accorded well with the spirit of the times, for all that the wit was ever somewhat heavy-handed He began by folding metal sheet into various illustrative configurations, painting them in a joidly perfunctory manner. A pile of books totters and falls - "Incident in a Library": a row of bags and cases sits on the floor - "Project for Heathrow": a stack of outsize pencils, protractors and rulers leans

wonkily together - "Broken Rules". His interest then turned to more abstracted exercises in which simple steel elements, painted with all the subtle invention of the Smartle tube, were combined in ambiguous shelf or bench-like relation, as of ultra-modern furniture. The work then indeed became ultra-modern furniture, that of the office and factory - ventilator grills, cabinets.

and Hepworth, Paolozzi and Turn-bull, Caro and King, Fianagan and Long, each generation has had its turn. The British Council has ventilator grill if you say it is a ventilator grill. Reads I win, tails

Latterly Opie has turned to making model houses, churches, farms and castles, all realistic in the sense that a doll's house is realistic, with anonymous cream walls and grey roofs. Or he disposes outsize sets of children's building blocks as though they were office blocks in city cen-tres. Latest of all come the outsize toy motorway sets with their loops and arches in solid grey concrete We are to "Imagine we can order these", "Imagine it is raining" or "Imagine we are driving". A computer graphic display takes us round the bend and on for ever through a wide, featureless, mindless landscape, signifying nothing.

Richard Wentworth, ten years older, is from the same conceptual stable, though a long-time teacher at Goldsmiths' rather than its product. His work too is that of the visual pun and the test of the object in its everyday self. He produces no image or reproduction, no suggestion that the plate or broom or redundant desk of his tableau is anything but what it is. It is only in its redisposition, its imaginative dis-



Realistic in the sense that a doll's house is realistic: 'Fortified Farm', 1993, by Julian Opie

anew. The aesthetic is one of elegant playfulness, often mannered and self-indulgent to a fault, yet redeemed by the sharpness of the wit and the fastidious rigour of its formal presentation. His has been art on a knife's edge, teetering now to the trivial, now to the banal or obvious, but keeping its balance,

But just how long can Wentworth go on playing the same old tricks? Elegant variation is quite as much a visual as a literary fault and there are few, as Fowler tells us, so

widely prevalent. "It is the sec-ond-rate writers, those intent rather on expressing themselves prettily than on conveying their meaning clearly...that are chiefly open to (its) allurements". it would be unkind, yet, to condemn Wentworth as second-rate, but is a certain desperation setting in. This is not a full retrospective, but the ideas already repeat themselves and only the scale develops.

The pun gets no funnier in endless repetition, least of all in being shouted louder. Bigger is not better.

Wentworth's "Cumulus", a clutch of china plates on a glass shelf held precarious and high by an upturned ladder, had its proper and persuasive sculptural presence, the more so for being so delicately put. Now at the Serpentine, another high shelf slopes down the length of the

gallery with its fragile burden: "Lips and Fingertips". So what? Large and twisted sheets of corrugated metal lie together on the gallery floor, punctured only by houselike boxes on their underside. His "Toy" sardine-tin, of 1983, let into its solid steel bath, was somewhat more succinct a statement of the same device. A proper retrospective would have told him so.

Julian Opie: Hayward Gallery, South Bank Centre, SE1, until February 6, then to the Kuntsverein,

Richard Wentworth: Serpentine Gallery, Kensington Gardens, W2, until January 3, then to Bristol, 's-Hertogenbosch and Calais; sponsored by Principles and the Expan-ded Metal Company.

Miller's 'Falstaff'

tmen

SOF

Andrew Clark finds the doctor back on form in Zurich

fter a string of dud opera productions around Europe over the past year, Jonathan Miller has come up with a fleet-footed, funny and affectionate Faistoff in Zurich. The key to his success lies not so much in the homogeneous cast or the intimate scale of the Zurich Opera House - though each play a part. No, the chief distinction. is Miller's faithfulness to the spirit of Verdi. He preserves the period setting, keeps the humour alive and paces each scene with the same sleight of hand that characterises Verdi's musicking of Shakespeare

The result brings to mind Miller's landmark staging of Le nozze di Figuro for the 1991 Vienna Festival. Falstaff may not reach quite that exalted level, but it too is the product of second thoughts (he first staged Faistaff for Kent Opera in the 1970s) and enjoys clear dramatic lines. Without being untrue to Elizabethan. England, Miller has turned to the paintings of 16th century Dutch masters for his visual inspiration. Peter Davison's sets - a succession of simple, spacious interiors against a backdrop of oak trees and matchbox townhouses - have the light and depth of a Bruegel landscape, in which the characters are at one with their natural environment. Bardolph and Pistol are Gothic bumpkins straight out of Hieronymus Bosch, and Clars Mitchell's authentic costumes look comfortably

Miller's view of Falstaff is refreshingly benign. He listens to the music and takes Sir John at face value - an incorrigible optimist, a personification of the life-force, a figure of fun whose ageing girth houses an equally large appetite for wine and women. The boastful interviews at the

Garter Inn with a flirtatious Quickly and



The Garter Inn scene: Jonathan Miller has remained true to the spirit of Verdi in his new production

the disguised Ford are sprinkled with wit, while the hunt in Ford's house develops a farcical momentum of which Brian Rix would be proud - Falstaff's first instinct is to take cover under Alice's dress, and it is only with great effort that he can be "Mondo ladro" has its amusing side, as ed into the laundry basket. Even Faistaff hobbles around bersloot under a moth-eaten blanket. Miller's imagination occasionally gets the better of him - Dr Cains spends much of the evening swotting flies, and one of Ford's retinue turns up with a field-telephone - but never enough to compromise the evening's uncluttered appeal. Falstaff is sung by the Spanish baritone

Juan Pons, who is now experienced enough in the part to have the timing and physical mannerisms exactly right. His voice is handsome and reliable. He wears the naunch, the balding ginger wig and outrageous plumed red cloak convincingly. All he needs is the larger-than-life personality that distinguishes the finest interpreters.

Alice, sung by Gabriele Lechner with charm and femininity, has a girth almost as big as Falstaff's and a sense of humour to match. Birgit Remmert's Quickly is tall and sexy - no wonder Falstaff welcomes her advances - and the voice has star quality. Rodney Gilfry struggles with Ford; Laszlo Polgar and

Volker Vogel make a scene-stealing pair of rogues. Fenton and Nannetta, roles which always find their interpreters in first blossom, are sung by Reinaldo Macias and

After 35 years in Zurich, it was about time Nello Santi conducted Faistaff there, but his experience proves double-edged The music is beautifully paced, the dynamics spirit of late Verdi eludes him, and the reading is inexplicably short on swagger. No matter: this is a worthy addition to Zurich's Verdi repertory, and - with his ENO Rosenkavalier less than three months away - a timely return to form for Miller.

OTHER CONCERTS

Colin Davis conducts Dresden

Konzerthaus, Leif Ove Andsnes,

Monday at the Musikverein with

A new production of Kenneth

at the Staatsoper on Sun. This

week's opera repertory consists

of Lucia di Lammermoor tonight,

on Fri and Madama Butterfly on

trovatore on Thurs, L'elisir d'amore

Washington Opera's 1993-94

season opens at Kennedy Center

Zdenek Macal conducts

National Symphony Orchestra

Hall in a programme including

Rakhmaninov's Second Piano

in symphonies by Berlioz and

Concerto (Tzimon Barto), and on

Thurs, Fri afternoon and next Tues

Howard Hanson, Alexander Lezerev

conducts Bolshoi Orchestra on Sat

Opera House on Sat with Donizetti's

Arma Bolena, starring Nelly Miricioiu. Repeated Nov 15, 18, 20, 23, 26,

tonight at Kennedy Center Concert

Die Zauberflöte tomorrow, il

■ WASHINGTON

MacMilian's ballet Manon opens

Bergen Philharmonic Orchestra (505

Berlioz on Saturday at the

DANCE/OPERA

Sat (51444 2955)

28 (202-416 7800)

Opera/John Allison

Tchaikovsky's 'Cherevichki'

helsea Opera Group's concert performance of Cherevichki at the Queen Elizabeth Hall on Sunday was an imaginative contribution to a Tchaikovsky commemoration otherwise largely lacking in enterprise. The centenary of the composer's death (which fell the day before) has been duly marked, but few audiences will have gained fresh insights into Tchaikovsky's work. Opportunities to explore the neglected byways of the composer's output have been missed, familiar music has been aired over and over again.

This year opera houses around the world have seen a proliferation of Onegins. No Western company seems to have ven-tured Mazeppa or The Maid of Orleans. Chelsea Opera Group, which in the past has given memorable concert versions of both, might this time have dusted off The Enchantress or The Oprichnik, But Cherenichki ("The Tsarina's Slippers") was still a good choice: last month (as David Murray reported on this page) it was the hit of the Wexford Festival - anyone who encountered if there will have welcomed another chance to hear it - and, importantly, Tchaikovsky himself thought highly of it, calling it "musically wall-nigh my best

The neglect of *Cherevichki* is unjust. Tchaikovsky laboured hard at it (the opera as premiered at the Bolshoy in 1887 was an extensive revision of his 1874 Vakula the Smith), producing a score of uniformly high inspiration. Deeply influenced by folklore - it is a setting of Gogol's Christ-mas Eve - the work is full of colourful, lyrical earthy music. It remained the composer's only comic opera. The fantastic plot, familiar to London opera-goers through the recent ENO staging of Rim-sky-Korsakov's later setting of the story. was clarified at the QEH in Arthur Jacobs's lively translation. Three singers stood out. With a husky

mezzo, Ann Atkinson was delightful as the witch Solokha, and Jonathan Veira sang robustly and with relish as the Devil. Peter Sidhom was a splendid, solemn Potemkin. Though taxed by the demanding role of Oxana, Alice Hyde made a credible heroine - and the slight edge to her voice suggested authentic Russian

Both the Vakula and Chub, roles requiring larger-than-life singers, were undercharacterised. The conductor, Martyn Brabbins, welded his forces - including a ragged chorus - with flair and Tchaikovskian feeling.

Whitbread finalists announced

🕈 his is the book prize season. Tonight the winner of the Esquire-Volvo-Waterstone Non Fiction Award will receive £5,000. Next Tuesday the Sunday Express Book of the Year will make one writer £20,000 richer.

Yesterday the finalists were annnounced for the Whitbread. Rach of the five nominated authors received £2,000. On January 25 1994, one of them will get another £21,000 as winner of the Whitbread Book of the Year. The Whitbread covers the literary field. with a candidate for each section. They were: for biography, Andrew Motion for

Philip Larkin, A Writer's Life; for a

children's novel, Flour Babies by Anne Fine: for a first novel, Saving Agnes by Rachel Rusk; for a novel, Theory of War by Joan Brady, and for poetry, Carol Ann. Duffy for her collection, Mean Time.

The judges obviously have no prejudice against women. A feature of the Whitbread is that its chosen novel hardly ever appears on the Booker list. Theory of War tells of a white boy sold into what amounts to slavery in post-Civil War America. Brady is a former dancer with New York City Ballet who has lived in

Antony Thorncroft

Monday: Berlin, New York

INTERNATIONAL

AMSTERDAM

Concertgebouw Tonight: Gerard Oskamp conducts the Netherlands Philharmonic Orchestra in works by Musorgsky, Glazunov and Sibelius, with violin soloist Emmy. Verhey, Tomorrow, Thurs, Sun . afternoon: Wolfgang Sawallisch conducts Royal Concertgebouw Orchestra in Brahms, Britten and Richard Strauss, with violin soloist Maxim Vengerov. Tomorrow and Sat (Kleine Zeal): Juillard Quartet. Sat afternoon: Oliver Knussen conducts Schoenberg Ensemble in Goehr, Knussen and others. Sat evening: Rafael Orozco is plano soloist with Zagreb Philharmonic Orchestra. Sun evening: Alfred Brendel plays Beethoven sonatas. Mon; Sawallisch is planist in a chamber music programme with members of Royal Concertgebouw. Next Tues: James Galway is soloist with Saint Louis Symphony Orchestra (24-hour information service 020-675 4411 ticket reservations 020-671 8345) Muziektheater Tomorrow, Sun afternoon: Christophe Rousset

conducts Pierre Audi's new production of L'incoronazione di Poppea, with a cast headed by Cynthia Haymon and Brigitte Balleys peated Nov 16, 19, 22, 25, 28, 30). Thurs, Fri, Set. Anne Teresa de Keersmaeker dance programme (020-625 5455)

ANTWERP

Trisha Brown Company is in residence at deSingel from tomorrow till Sun (03-248 3800). Wolfgang Sawallisch conducts Royal Concertgebouw Orchestra in works by Brahms, Britten and Richard Strauss on Fri at Queen Bisabeth Hall (Antwerp 93: information 03-226 9300; tickets 070-233233)

BRUSSELS

Monnaie Tonight, Thurs, Fri, Sun afternoon (also Nov 16, 18): Antonio Pappano conducts Guy Joosten's new production of Carmen, with Kathryn Harries and Richard Margison. Sat. François Le Roux song recital (02-218 1211) is des Beaux Arts Tomorrow: Cecile Ousset plano recital. Sun: Matialay Rostropovich is cello soloist with Walloon Chamber Orchestra. Next Mon: Brodsky Quartet, with pianist Christian Biackshaw, plays Prokoflev, Shostakovich and Dvorak (02-507 8200)

■ CHICAGO

CHICAGO SYMPHONY Georg Solti conducts two weeks of concerts at Orchestra Hall. Thurs.

Frl, Sat: Hungarian programme. Nov 18 and 23: Stravinsky, Mendelssohn and Beethoven. Pierre Boulez in residence Nov 26 to Dec 14

CHICAGO LYRIC OPERA This month's repertory consists of Peter Helf's production of Cost fan tutte, with Carol Vaness, Delores Ziegler, Keith Lewis and Jeffrey Black (next performances tomorrow and Sat); Tosca with Maria Ewing (final performance on Fri); and a new production of Die Walkure, opening Nov 23 (312-332 2244)

■ GENEVA

(also Nov 16, 19, 21): Jesus Lopez Cobos conducts Jerome Savary's new production of La Cenerentola. with a cast headed by Jennifer Larmore and Rockwell Blake (022-311 2311) Victoria Hall Tonight, tomorrow, Thurs: Gerhard Oppitz plays Brahms piano works (022-310 6611). Fri: Jesus Lopez-Cobos conducts Lausanne Chamber Orchestra in Handel, Rheinberger and Haydn. Nov 17: Radu Lupu (022-311 2511) Comédie John Millington Synge's 1907 tragi-comedy The Playboy of the Western World can be seen daily except Sun and Mon till Nov

Grand Théâtre Toright, Thurs, Sun

GHENT

Flanders Opera presents concert nerformances of Samson et Dalila

20, in a French-language production directed by Claude Stratz (022-320

on Nov 12, 14, 16 and 18. Imre Pallo conducts a cast headed by Vladimir Popov, Florence Quivar and Jean-Philippe Latent (091-225

THE HAGUE

AT&T Danstheater Thurs, Fri, Sat: Nederlands Dans Theater in a new work by Gldeon Oberzanek, plus choreographies by Kylian and Lightfoot (070-360 4930)

LAUSANNE

Tokyo Ballet brings Maurice Béjart's atest choreography to Théâtre de Beautieu on Sun. The next production at Théâtre Municipal is Gournod's Mireille, opening on Nov 21 for five performances (021-312 6433)

VIENNA

WIEN MODERN Vienna's contemporary music

festival runs throughout November. with special emphasis on Penderecki, Takemitsu, 8.A. Zimmermann and Erich Urbanner. Other composers represented in the coming week are Gorecki, Jonathan Harvey and George Benjamin, Most events are at the Konzerthaus, except tonight's Budapest Symphony Orchestra concert conducted by Andras Ligeti and an Austrian Radio Symphony Orchestra concert conducted by Marc Andreae on Set, both at the Musikverein (712 1211)

in a Tchaikovsky programme, with soprano soloist Maria Gavrilova Viktoria Mullova gives a violin recital tomorrow at the Musikverein. David Shallon conducts the Vienna THEATRE Symphony Orchestra in works by Mahler and Bernstein tomorrow and Thursday at the Konzerthaus.

opera".

 Dancing at Lughnasa: Brian Friel's award-winning play about five Catholic sisters based in Donegal 1938. Till January 2 (Arena Stage, Kreeger Theater 202-488 4377 Back to Methuselah; G.B. plays Grieg's Piano Concerto next

Shaw's cycle of plays begins in the Garden of Eden and ends in the distant future. Opens on Thurs for a 10-day run (Washington Stage Guild 202-529 2084) Tartuffe: Red Stage Company's production of Moliere's comedy opens for a two-week run on Fri (Smith Theater 410-964 4947)

ZURICH

Opernhaus Tonight, Frl, Sun afternoon: Nello Santi conducts Jonathan Miller's new production of Falstaff, with a cast headed by Juan Pons, Tomorrow: Die Zauberflöte, Thurs, Sat: Cosi fan tutte. Sun evening: Bernd Blenert's production of Nutcracker (01-262

Tonhalle Tomorrow and Fri: Zoltan Pesko conducts Tonhalle Orchestra in Liszt's Faust Symphony, paired with Mozart's Flute Concerto (Günter Rumpel) tomorrow and John Corigliano's Clarinet Concerto (Michael Reid) on Friday. On Thursday: Theodor Guschibauer conducts the Strasbourg Philharmonic Orchestra in Berlioz, Chausson, Saint-Seens and Roussel, with violin soloist Miriam Fried (01-261 1600)

many, Scand

ARTS GUIDE

Tuesday: Austria, Belglum, Netherlands, Switzerland, Chicago, Washington. Wednesday: France. Ger Thursday: Italy, Spain, Athens, London, Prague. Friday: Exhibitions Guide. European Cable and

Satellite Business TV (All times are Central European Time) MONDAY TO THURSDAY

Super Channel: European Business Today 0730; 2230 Monday Super Channel: West of Moscow 1230. Super Channel: Financial Times Reports 0630 Wednesday Super Channel: Financial Times Reports 2130 Thursday Sky News: Financial Times Reports 2030: 0130

Friday Super Channel: European Business Today 0730: 2230 Sky News: Financial Times Reports 0530 Saturday Super Channel: Financial Times Reports

0930 Sky News: West of Moscow 1130; 2230 Sunday Super Channel: West of Moscow 1830 Super Channel: Financial Times Reports 1900 Sky News; West of Moscow 0230; 0530 Sky News: Financial Times Reports 1330; 2030

largest electricity lishes its half-year results tomorrow, the numbers will be examined with more than the usual scrutiny by industry and Westminster.

The results are the last before Professor Stephen Little-child, the industry regulator, decides whether to refer National Power and PowerGen. the other large generator in England and Wales, to the Monopolies and Mergers Commission over criticism that they have abused their market position. A referral would have videspread repercussions.

One potential casualty would be government finances. Treasury estimates of raising £5.5bn from privatisation sales in 1994.95 would be more difficult to achieve. More than £3bn of the total is expected to come from the sale of the government's 40 per cent stakes in National Power and PowerGen. But a referral, and the ensuing lengthy inquiry, could postpone the sale until 1995-96.
A referral would also cast

another cloud over the government's privatising strategy: this year the commission has recommended widespread changes to the structure of British Gas, another privatised utility, and the gas market to which it is the main supplier.

Within the electricity indus try, many executives believe a referral would trigger a wider inquiry by the commission into the entire power market. This could include the regional electricity companies, which, like the generators, were privatised In 1990, and the National Grid, which transmits power in

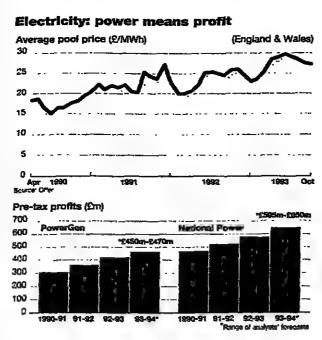
England and Wales. The prospect of a wider investigation is unsettling both for the industry and for the government. The industry will be looking today for some reassurance from National Power that it is doing all it can to avoid a referral; for example, by demonstrating a willingness to compromise with Prof Little-

child on issues such as prices. Prof Littlechild's public pledge to make a final decision on a referral by the end of this year, rather than by the 1995 deadline he had previously set. was prompted by rises in spring of more than 10 per cent in the prices of electricity in the wholesale trading pool.

The pool, set up prior to privatisation, sets a wholesale price for electricity for each half-hour of the day after matching expected demand with supply. The main influence on price is the bid submit-

Finer balance of power

Michael Smith on a possible MMC referral for the UK electricity sector



ted by the generating companies for the most expensive generating station needed to ensure that demand is met.

The generators acknowledge they are responsible for at least some of the price increase but deny that they are making excessive profits as a result.

Most consumers have been unaffected by the spring rises because the price of their electricity is determined by interrelated fix-priced contracts. agreed in advance, between electricity companies. But the increases badly hit many industrial consumers whose electricity bills are determined directly by the pool. Companies such as Imperial Chemical Industries, which has seen its electricity bill rise by 70 per cent at some plants in the past two years, have demanded action from both the govern-

ment and Prof Littlechild. Satisfying this chorus of complaints from industry is likely to be one of Prof Littlechild's most difficult tasks since he became regulator three years ago. He has grown increasingly suspicious of the generators and their pricing

The new 900 is a very special car, the

product of a very special fund of relationship:

Saab engineers and designers striving together

to produce a car in which every point of form

Seated at the wheel of the new 900, you

immediately sense that this is no mass-

produced car. The generous headroom; the

supportive contours of the orthopaedically-

correct seats; the logical positioning of each

you are able to concentrate on your driving

with minimal distraction. No detail has been

control and instrument: the manner in which

follows a purpose of function.

THE NEW 900.

VERY SPACIOUS. VERY SMART.

VERY SAAB.

policies. When announcing his investigation into a possible referral in August he said the generators' ability to raise widespread concern.

Prof Littlechild is a strong believer in competition and, like many others, including ministers, believes the market too dependent on National Power and PowerGen for supplies: at their peak two years ago the two generators accounted for about 80 per cent of the market, though their share has since slipped to less "He [Prof Littlechild] is

pathologically ill-disposed to the market structure, and will be until our share is well down," says an executive of one generator. However, in three previous inquiries into pool prices in the past two years, Prof Littlechild has found no evidence to support claims that the generators have abused their market power to a significant extent. To critics, such as the big consumers, the generators'

profits growth since privatisa-

tion is confirmation that their

overlooked. Everything has been considered.

engineering, it combines comfort and reliability

THE NEW SAAB 900. VERY SAAB.

A product of meticulous Swedish

with performance and safety to offer

And that's very Saab indeed.

you a long-lasting car of timeless quality.

Power increased pre-tax profits by 13 per cent last year to £580m, and PowerGen by 18 per cent to £425m; both companies are expected to record sig-nificant growth this year.

"These are high increases for companies that are providing an oversupplied market," says an executive at a non-genera-tor power company. "The prob-lem is that generators decide what profits they want to make, and can, because of the lack of competition, set their prices accordingly."

The generators say their profit rises are partly the result of improved efficiency. They point out that their rate of return on capital is less than that for regional electricity companies on their distribution businesses, which are

The issue is not whether we exercise market power but how we do so." according to National Power. "To the extent that we do possess market power we exercise it in a transparent and principled way."

In determining whether he accepts this statement Prof Littlechild has been provided with confidential figures by the generators. Unless the figures reveal overwhelming price abuse, most City observers believe he will try to force change on the generators that falls short of a referral.

A referral would set in motion a process over which the regulator would have limited control. The danger is that the commission could reject his recommendations, which could include splitting up the generators or limiting their powers in other ways.

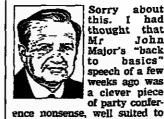
The two most obvious options for Prof Littlechild are the imposition of price controls, or asking the generators to sell some of their generating plant in an attempt to reduce their market power. Both are fraught with difficulty.

National Power and Power-Gen may baulk at price controls and forced sales of generating plant. They have said publicly that they are willing to discuss disposals but potential buyers have their doubts.

In the circumstances, Prof Littlechild could be attracted to a third option: doing nothing. Even this would not be easy. Having conducted his review he has raised expectations, not least among heavy industrial users, that he is going to do something. "Prof Littlechild has huffed and puffed so often now," says one broker, "Having teed it all up he is going to look a right Charlie if he does nothing."

Joe Rogaly

Nanny's desperate smacks



thought that Mr John Major's "back to basics" speech of a few weeks ago was a clever piece of party conferbit of mischief.

blame. Their

soothing his audience, but nothing to do with running the country. That has now been contradicted by weekend reports that the prime minister really meant it - that he has, indeed, sent a round-robin to his cabinet telling it so.

Mr Major's purpose, we are informed, is to switch the focus of political debate from the economy to social policy. In the 1980s the Conservatives challenged economic orthodoxy. Now, in the 1990s, they will tackle the areas of social policy in which, it is noted in tones of horror, "theorists" have dragged professionals and administrators away from common sense. The government will act. It will reduce crime, weed out "trendy" teachers, retrain social workers, light a bonfire of regulations, make divorce more difficult for parents with children, and, as to unmarried mothers, stand at the council house doorway. arm outstretched, index finger pointing back into the snow. It is hilarious. Downing Street works late and out come these teaspoonsful of populism,

strategy. Let us sip a spoon at The forthcoming deregulation bill will remove many small irritants, but that is overdue tidying up, not a phiosophy of governance. Most Tory administrations slash away at old regulations. although some wait too long

for heavy agglomerations to

build up. I spent an hour on

Sunday cutting accumulated

served up as the long-awaited

warm draught of long-term

trunk. This does not make me a landscape gardener. We are also promised two criminal jus-tice bills. Voters know, or will discover, that nothing the home secretary has yet announced is likely to prevent a single criminal outside the ranks of those temporarily detained from doing his or her

I have fulminated as much as anyone against the "child-centred" teaching methods of the 1960s, but, as the national curriculum takes hold, loony classroom practice is becoming yesterday's issue. If not, what have the Tories been doing about education these 14 years? True, social workers are unpopular. For this they have themselves to

fault is their unwillingness or inability to come these make a case for teaspoonsful of their profession, or at least one that outsidup as the warm ers can underdraught of stand. We may mildly long-term strategy encouraged by

the news that the government plans to mod-ify teacher and social worker training. It would be more apposite to write these ong-suffering professionals down as convenient scape-

The most curious items in

the list are those relating to

divorce and ione parenthood, two elements in every package of policies for "the family". Like the autumn rains, pamphlets and speeches on this eternal subject patter ceaselessly down upon my desk. "The traditional nuclear family breadwinner father married to the full-time mother of their dependent children - is a minority pursuit," said Ms Pat-ricia Hewitt, the deputy direc-

tor of the left-inclined Institute

for Public Policy Research, in a thoughtful lecture delivered in May. "Reports of the death of the nuclear family are exagger-ated," writes Mr David Wil-letts, the Conservative MP for Havant, in a "Contemporary Paper" (available from W H Smith, 7 Holbein Place, London SW1 8NR). First elected in April 1992, Mr Willetts was quickly made a member of the select committee on social security. He carries the bags of Sir Norman Fowler, the chairman of the Conservative party.

Ms Hewitt and Mr Willetts could prove their apparently contradictory assertions by the judicious use of statistics. The former's definition of "nuclear" alludes to families in which the mother is not working; the latter includes all

households Downing Street headed by works late and out married couple Confused? En-ter Mr lan Lang. secretary populism, served for Scotland. "It. recognise that the family unit is not always what it was 30

> ago," he told Conservative women in Perth on Saharday. When the smelling-salts had been applied, be added: "We can wish it was not so. But we cannot just wish it away... the situation today appears to be less stable them before, but are people on the whole less happy? I doubt it ... " Another doubter, one suspects, is the chancellor, Mr Kenneth Clarke. Mr Lang has given the game

is important to

or 40 years

away, although probably with-out meaning to. "In going back to basics," he said on Saturday, we should not pretend that the only family values worthy of the name are to be found in the traditional maclear family, He has surely been reading Me Hewitz. My own view is that this is a field in which the gov-

extremely carefully, if at all There may be a case for altering the divorce laws so that couples with children are obliged to go through various hoops before splitting up. The relationship between singleparent allowances, the avail-ability of council housing, and the propensity of some young girls in deprived areas to, become pregnant is a compli-cated one. There may be an argument in favour of tighten ing housing and social security rules, but it should be deployed with care, and kept well away from the Treasury.

That, however, is about far as our political servants should go Personal relationships should not be the province of any government, least of all a Conservative one that has elevated the cult of the individual to the status of a new religion. The logic of it beats me. Free market prop ets recoil from the idea of at national transport policy, on the ground that officials cannot allocate resources as well as the market. An energy strategy is likewise rejected, for the same reason. Social engineering, which is what "back to thing at all, is apparently the exception. In the most directly private spheres of life Conser-vative right wingers aspire to

They need not be taken sariously, Mr Major's republishing of familiar policies under a back to besics" label is a cry for help. Like so many western politicians, he needs an energy The European Commiss not sufficiently threatening The trade unions have be gone. The Soviet threat is an more. This expisies why the prime minister has put un tired old targets like "Hampsteam" and "progressives "trendy liberals". It smacks of

Better way

of managing

cannot make up his mind whether the religion of busi-ness re-engineering and the

arrival of the "horizontal" organisation are good things.

it is undoubtedly of cons

mate interest to those "high

priests" to whom Mr Lorent

refers, who occupy themselves by writing or talking about

really of interest to the stake-holders in a "staid" building

Our customers (as come

ers) care about decently priced

products backed by profes sional and friendly service. As members, they expect cost of

fectiveness and financia

strength Employees want chal-lenging and rewarding jobs

how other people's busine should change. However, is the

than cults.

THE EDITOR

Number One Southwark Bridge, London SEI 9HL Fax 071 873 5938. Letters transmitted should be clearly typed and not hand we

Educated idea as to omission

From Prof Arthur Francis. Sir, I realise that your omission of Scottish schools from your Top 1,000 schools ("Britain's (sic) state schools have been gaining ground acsdemically ...", October 30/31) was probably because many of them offer Highers rather than A-levels, though fortunately most British universities seem able to calculate equivalencies. But not to mention that you had excluded 10 per cent of the population from your survey looks very like the "And finally to Scotland ... " syndrome - the felicitous phrase that can be heard nearly every morning on the Radio 4

weather forecasts. I am, however, grateful for your omission. We moved from Oxford last year. Had you included Scottish data I would have wasted part of my weekend trying to work out how much of any difference in score between Bearsden Academy, Glasgow, and the Cherwell School, Oxford, was due to the schools themselves or to some difference in, for example, the ability of the academics' chil-

dren in the respective cities. Might I ask when you propose to publish a similar ranking of the Top 1,000 UK companies based on a single output measure? Profits per employee would do nicely. This would provide a strong incentive for firms to liquidate all non-capital-intensive activities. Never mind that this would distort industrial output and diminish our national economic welfare. At least we would all think we knew which were our best

Arthur Francis, 20 Queensborough Gardens, Glasgow G12 9PP

US lawyers victims of their own efforts

From Mr Govin Stackeir. Sir, There is a wonderful irony in Robert Rice's article ("Tied up in claims for damages", October 19) about the concern of US lawyers at their large damages claims. The US only for the benefit in the legal profession has encourlegal profession has encourlegal profession has encoursionals, corporations, and citiincreasing vulnerability to dures over many years which resulted in a litigation system grossly weighted in favour of the plaintiff. The effect of this has been to encourage litigation where it was not merited, and proliferate the imposition

weighing compensation for

Perhaps this new trend giving the legal profession a tuste of its own medicine will at last promote changes which will moderate the worst excess, not only for the benefit of the lawzens who have suffered under the present system for too long.

Cavin Sinclair, 67 Rockbridge Drive,

CrossRail support vital

From Mr Simon G Sperryn. Sir, I was most concerned to read in your article "Clarke wins battle over spending" (November 2) that "among the projects facing delay or cancellation were the London Cross-Rail link and the Channel tunnel rail link".

of punitive damages far out-

The government's innovative approach towards attracting private sector finance into public sector projects loses credibility with every swing of the pendulum. Potential investors cannot be expected to express an interest in such major pro jects as CrossRail while this stop-go cycle continues. We support the principle of private sector investment; within the current financial constraints the government's imaginative search for workable solutions to develop major infrastructure projects is applauded by busi-

Since the Central London Rail Study of 1989 the London Chamber has consistently campaigned for CrossRail as an London EC4R 1AP

essential tenet of London's transport network serving business commuters, the tourist industry, and the indigenous community. Recent inde-pendent reports suggest the project would lead to the creation of about 60,000 jobs in central London, a boost which Britain's capital orgently needs as the recovery is not yet assured, and the illogical political compromise over the sighting of the European Monetary Institute requires a renewed government commit-

We would urge the government to confirm its complete commitment to CrossRail the result in terms of investor confidence and the government's credibility in the eyes of London's business commu further delays would be seriously damaging. Simon G Sperryn,

London Chamber of Commerce and Industry,

our enjoyment of the music

and like to be kept informed about the business. Our regula tors insist on prudent management and clear controls. The government enjoys the tax derived from our increase profits, and that "bottom line" s important to credit rating agencies ton So does it matter what adjective is used to describe organisational structure? I suspect ment to London's future.

sational structure: I suspect big businesses end up with a "nixed beg" which adapts over time, but that is unimphring phraseology for anybody trying to justify a new religion. However, quietly managing, that "mixed bag" to deliver improved humans and the series improved business results will perhaps attract more believers in the long run than some of the new management cults which are strong on hope but patently unproven in performance terms. Paul Martin

Leeds Permanent Building Society, Permanent House, 1 Lovell Park Road. Leeds LSI INS

lop cabs

From Mr Nigel Yanng.
Sir. Having read your regard.
"Hackneyed cabbias versus rank outsiders" (October 30). may I suggest Singapore best the best taxis in the world? The taxis are all new Toyotts with air-conditioning and clear meters. The drivers all speak English, Periodically the gran ernment encourages courts campaigns. Price: Stp for first 0.94 miles and then Try put 1.09 miles and then Try put 1.09. You can book fairly phone or by fax. They are took taking the chargest and classification of the chargest and classification of the chargest and classification. est and most civilised total Nigel Yeung

Another champion of sanity on Radio 3

From Mr Michael Wilson. Sir. I was so pleased to read ("From 'good morning' to 'hello matey', October 30) that Clement Crisp has not surrendered in the battle to restore sanity to Radio 3. Like him, I abhor chit-chat on the radio and one could always rely on this third programme to offer a haven of word-free, musical quality amidst a world changing too fast, in directions which no one seems fully to comprehend. Much of this has now become adulterated by news, reviews and interviews already the staple diet of Radios 1, 2, 4 and 5. Mercy, mercy! Are Mr Crisp and I the only people in the land who want to listen to music and not drown in a torrent of trivia about music? Frankly, I am not too interested in the life and | as the premier broadcasting

times of the glockenspiel understudy in the Liechten-stein Philharmonic. When will the controllers of

Radio 3 come to realise that, for them, Classic FM is the most fortunate radio development of recent years? We live in an age of instant gratifica-tion where the media mogula presume and continuously affirm that our maximum spar of attention is about 10 minutes. However, as we mature intellectually and emotionally we reject this affront to our humanity and gradually turn to more demanding, more satisfying newspapers and radio and television programmes. Classic FM is in the process of cultivating a whole new audi-ence for Radio 3: that is, if Radio 3 will return to its roots

station of consistently rich and varied, non-ephemeral music. To achieve this it must renounce its stable of critics. reviewers and interviewers who contribute not one whit to

itself, who, indeed, seriously detract from it. If Radio 3 can find its way back on to the tracks of musical goodness and, in the shortterm at least, set aside the irrelevance of audience figures. irrelevance of audience figures, then it will again deserve to appear in the top 10 list of "things most missed" by many expatriates. It will again stand as a beacon of British broadcasting quality in a confused world world. Michael Wilson,

Danesbrook Cottage, Dayhouses, Longville



FINANCIAL TIMES

Number One Southwark Bridge, London SEI 9HL Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700 Tuesday November 9 1993

Portillo's mini-pension

AS Mr Michael Portillo proceeds with his review of public spending, he shows every sign of relishing the opportunity to spread alarm and despondency among those who wish to preserve the welfare state. The Treasury chief secretary's declaration at the weekend that he favours greater personal provision for pensions in the 21st century looks like one more case in point. Yet this pro-vocative kite-flying does at least have the merit of ensuring that the assumptions behind spending priorities are discussed. And in the case of pensions, the assumptions that lie behind government policy look highly questionable. Mr Portillo and his fellow minis

ters appear to believe that social security, including pensions, takes an unsustainable share of national income. Certainly there are grounds for worrying about the recent surge in spending, which reflects the combined impact of pre-electoral promises and the extent of the recession. But over a longer time span, total welfare spending has been relatively sta-ble, even if there has been a change in composition away from housing and education in favour of social security and health. And the effect of demography on long-run pension costs has been wildly

As John Hills of the London School of Economics points out in an admirable new study for the Joseph Rowntree Foundation on the future of welfare, the so-called demographic time bomb is relatively unthreatening. Applying today's level of welfare spending per member of the population to the age structure in the year, 2041 would produce an increase equivalent to no more than 3.8 per cent of GDP at 1991-92 spending levels. To put the British welfare state in a wider context, the ratio of working people to retired people in Britain in 50 years will be higher than in any other developed coun-

 $, \cdot \cdot \cdot \cdot \cdot r_{\underline{n}},$

50 400 15

A CAMPLE

try apart from Ireland. In the specific case of pensions, the Department of Social Security's own central projections show 2060. Over the part 50 years costs will rise. Yet the Hills study points out that the net effect on the public finances of an ageing of its present pensions policy.

population, the increasing cost of the state earnings-related pension and higher basic pensions would add up to 5 per cent of GDP if benefit levels were to keep up with living standards – all of one-tenth of I per cent of GDP per year. The bill will actually be less, whatever the programs of Mr. Des whatever the outcome of Mr Portillo's review, because the govern-ment decided in the 1980s to link benefits to prices rather than earnings, claiming that demographic pressure made the present system untenable.

The fact is that the present share of welfare in national income is perfectly tenable; but it may not be compatible with the aspiration of successive chancellors to reduce the share of taxation in national income. Even without reductions in taxation there must be serious doubts whether personal pensions can fill the gap that is being left by the state, as the state basic pension falls to trivial levels in relation to

contemporary incomes.

Most reputable insurance companies are reluctant to provide personal pensions to those on much under £10,000 a year because they are simply not an economic proposition for the lower paid. This is because the average cost of a personal pension is high, at about 20 per cent of total contributions spread over a working lifetime. For the many who do not pay over a full work ing life, the expenses - chiefly the cost of maintaining an army of salesmen - will be higher. And because many insurance companies make a fixed charge, the costs

Since a majority of those who are not in occupational pension schemes earn less than £10,000 a year, personal pensions cannot provide a remotely adequate alternative to the state scheme. Yet the government appears to have no alternative to this non-alternative. Perhaps the social security secretary Mr Peter Lilley should come up with one before Mr Portillo creates an even bigger gap in the system. While it makes obvious a percentage of GDP by the year play a growing part in pension 2000. Over the next 50 years costs provision as incomes increase, the government cannot continue to ignore the practical shortcomings

rise hugely on smaller policies.

Leaner EBRD

AFTER THIS year's criticism of its leadership style and finances, the European Bank for Reconstruction and Development needed a fresh start. Changes announced yesterday by Mr Jacques de Larosière, the new president, will make the bank more effective in belging the economic regeneration of eastern Europe and the former Soviet

Mr de Lerosière cuts a less dashing figure than Mr Jacques Attall, who resigned in July. But while no less attached to the integration of east and west Europe, he can also point to valuable experience and organisational aptitude. Measures to streamline operations, cut out unnecessary duplication and deploy more specialised bankers on direct project work are a useful answer to complaints that the EBRD, in only two years, had become a wasteful and cumber-

some bureaucracy.

More controversial, though still on the whole sensible, is the abolition of the merchant and development banking departments which previously handled separately private and state sector projects. Some of the boundaries between the bank's two new "north" and little arbitrary. In some of the 25 countries in the bank's purview there are severe limits on the private sector activities it was set up to nurture, so the bank will need at times to place greater emphasis on public sector projects. But Mr de Larosière must ensure that the EBRD does not look ever more like the European arm of the pub-lic sector-orientated World Bank. That would raise afresh the ques tion of why it was set up in the

Mr de Larosière will have to manage a new phase of both competition and co-operation with other international development institutions active in the same field. He is also launching an effort to discover from EBRD shareholders and outside experts more precise answers on what the bank should do and how it should do it. Vagueness over the EBRD's objectives, coupled with lack of proper controls by member governments, contributed to manag ment failings. So Mr de Larosière's spirit of inquiry, like his drive for efficiency, is welcome. His task of

firmly defining a role for the bank, and then fulfilling it, is a difficult one. But his first steps are in the "south" geographical zones look a right direction. Mirror, mirror

normally be a subject of concern to readers of this newspaper. It has been made so by the decision of two titles in the Mirror group to publish photographs of the princess, taken in a London gymnasium using a concealed camera. The subsequent decision by the Mirror Group's national titles to pull out of the Press Complaints Commission throws the future of self regulation of the UK press

into doubt.

In publishing the pictures, the Mirror flagrantly flouted the Commission's code, of which it is a signatory. This bars intrusion into private lives except when the public interest dictates otherwise. The newspapers' defence, that they have exposed a security risk, is worth mentioning only for its bra-

zen disingenuity. Inevitably, the incident has led to renewed calls for action to curb . press intrusions, a subject the government intends to address shortly in a white paper. Newspa-pers have argued that instead of legislating, the government should give the PCC more time to show its value. Set up in 1991, the PCC has speeded up its complaints pro-

THE PHYSICAL fitness regime of cedure and this year acted to make itself more robust, by giving its non-press members a majority voice and by strengthening its

The grandiose hypocrisy of the Mirror renders all of this laughable, exposing the fact that the commission has no sanctions save harsh words. Assuming that the PCC formally rules against the Mirror later this week, the board of the company should ensure that those responsible are disciplined and apologise to the princess.

Legislators, however, should note another point. Nowhere in their analyses of press intrusions is a case of the current type considered. This spy camera was installed not by a journalist, but by the gym's owner, in order to make money at the expense of a

famous customer. That underlines the most important point in the debate about press law. There is a case for criminal law against electronic eavesdropping, of which this could be considered an example, but no case for a specific law against such actions by journalists. Journalists should be neither above the law nor subject to discrimina-

tion by it.

s Chris Patten, Hong Kong's governor, pre-pares for tomorrow's UK cabinet meeting to discuss the latest twists and turns in the battle with China over the colony's political future, the local stock market is showing no signs of shell-shock.

While the past seven months have stretched to breaking point the patience of Mr Patien, as he campaigns for political reform ahead of the 1997 transfer of sovereignty to China, Hong Kong's money men have done more than break even - the colony's Hang Seng index has risen 20 per cent in the past five weeks.

This remarkable rise in share prices has happened since a visit to China by a group of US fund managers - who collectively manage \$400bn in assets - organised by Morgan Stanley, the US securities firm, in September. At the end of that month, Mr Barton Biggs, the company's chief equities strategist, set the tone when he said: "After eight days in China I'm tuned in, overfed and maximum bullish." Less colourfully, Mr Biggs argued

that investing in China would be "the world's most profitable invest-ment opportunity for the next 10 years". With much of the country's stock market off-limits to foreign investors, he said: "The best way into the China restructuring story is through Hong Kong."
This judgment will prove either

one of the most prescient of the decade - or the most misguided. Hong Kong is undoubtedly the best gateway to China, but its stock mar-ket is vulnerable to internal Chinese politics and to China's worsening relations with the western world, notably the US and Britain. Whatever the long-term outcome for equities. Mr Biggs's remarks

have had a startling impact in Hong Kong. A wave of US money has hit the colony this autumn as investors have switched away from unexciting US and European markets towards Asia.

Morgan Stanley, for instance, has increased the weighting of the Hong Kong stock market in its global equity model, a theoretical portfolio watched by investors, by tenfold, to 3 per cent from 0.3 per cent; Mr Biggs increased Hong Kong's weighting in his \$1bn "emerging markets" fund by 45 per cent to 16 per cent of total assets. Warburg Securities in Hong Kong expects a 95 per cent rise - to \$5.5bn from \$2.8bn in 1992 - in US investors' net purchases of Hong Kong equities

The love affair with Asian equities as a whole may not be limited to US funds. Nomura Securities, the leading Japanese stockbroker. recently raised \$1bn for investment in Asian equities. According to Mr Robert Rowntree, head of Nomura's regional research team in Hong ment in the colony has come from private clients acting through ent trusts. But he, and others, believe that the large investment institutions in Japan may, for the first time, be on the verge of committing large sums to Asian, especially to Hong Kong, equities.

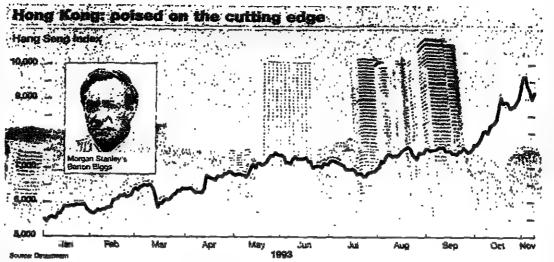
The conditions are good for Japanese investment in Asian equities," Mr Rowntree says. "The yen has peaked, and Japanese securities houses are in a position to service clients. Nomura has 60 salesmen now who know the Hong Kong and Singapore markets. By the end of 1994 we will have 200."

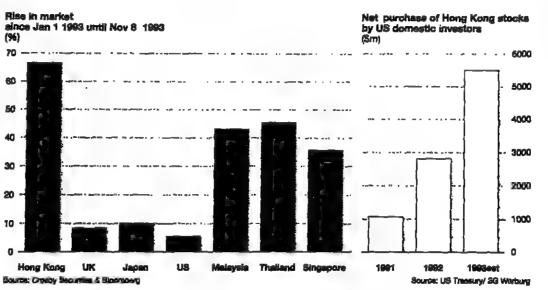
The Hang Seng's 20 per cent rise since the end of September has helped to make Hong Kong the bestperforming mature market in Asia this year. The overall increase takes into account the market's poorer performance last week - when it fell by 3.6 per cent, in common with many markets around the world -

and its 181-point rally yesterday. The colony has a large, liquid market, which appeals to the large US investment institutions with millions at their disposal. It also attracts foreign investors, because it has more listed companies than any other stock market in the world involved in China, the region's fastest-growing economy. It is the one, in short, most highly geared to the

Foothold on cliff of opportunity

Foreign investors are using Hong Kong's stock market as a way into China, say Simon Holberton and Patrick Harverson





rapid economic growth being experienced on the mainland. In the latest buying wave, investors have been targeting Hong Kong companies with a strong exposure to the Chinese economy.

This is especially so for the as China Light & Power, which sells electricity to China, Hongkong Telecom, the telephone monopoly in the colony with growing business opportunities on the mainland, Hongkong Electric, the power generator on Hong Kong island which is expected to become involved in power station construction in China, and HSBC Holdings, Hong

Kong's biggest bank.
These stocks have performed especially well. Since September, China Light has risen 10 per cent to close at HK\$49.50 yesterday, HSBC 6.7 per cent to HK\$87, Hongkong Telecom 27.6 per cent to FIK\$16.20, and Hong Kong Electric 15 per cent to HK\$24.40. As Mr John Hickling. the Boston-based manager of the Fidelity Overseas Fund, put it: "US

institutions just piled in However, the speed with which share prices have risen has unset-tled some investors and observers. They think the Hong Kong market is overvalued and vulnerable to a political or sconomic setback which, if it comes, could be severe. Mr Doug Johnson, senior international investment strategist at Merrill Lynch, the US securities house. says some US investors may have mistaken Morgan Stanley's forecast of a positive economic outlook in China for a forecast of a pos-

itive short-term outlook for the

Hong Kong market. "There is a good deal of indiscriminste buying taking place based on the long-term Chinese economic story," he says. "That story is very robust now, but there is a distinction between what is a good ecomarket story. They are not always consistent with each other, and it is

tors are not making."
Mr Hickling of Fidelity is also cautious about the short-term pros-pects for Hong Kong stocks. In 1992,

a differentiation that a lot of inves-

The big political event this month is not Patten in London but Clinton and Jiang Zemin, China's president, in Seattle'

as much as 15 per cent of his \$1.5bn fund was invested in the market. but since then he has cut his holdings to just 1 per cent. "To me, it seems closer to the end of an opportunity, rather than the beginning. I'm very cautious and don't have a lot of money there."

Many European investors share this view. According to Mr Archie Hart, head of research at Crosby Securities, a Hong Kong stockbroker, the Europeans, having been bitten more than once, are now more than twice shy. "They have seen the property crash of 1982-83, the stock market crash of 1987 when the market closed for a week, and they

OBSERVER

are a bit too hard-bitten to swallow it. A lot of the latest investors are new to the market. At the moment there are two views: either they are in for the long term and are buying the China concept, or they are the last people in and are due for a

Underlining such concerns are several indications that, enticing though China may appear, the Hong Kong market is showing some signs of greed outstripping its narural ally, fear.

The market rise has happened as

analysts have downgraded their

earnings forecasts for the colony's corporate sector. At the beginning of the year a 20 per cent rise in 1994 earnings was forecast; a disappoint-ing first half and economic tightening in China suggest 15 per cent growth might be closer to the mark. Some deals hint that investors may have their heads in the clouds. For example, Henderson, a large property developer, raised \$460m from foreign investors last month in the form of a loan convertible into equity in a company which does not yet exist. Henderson planned to list the company, Henderson China, on the stock exchange, but withdrew, after the exchange's listing division expressed doubts about the way Henderson's advisers had valued

development property in China. Observers lured by the deal say that, even if Henderson China is not set up, bond holders - primarily US fixed income funds - will receive a handsome yield of 6.6 per cent from Henderson over three years. To others, however, the deal is symbolic of investors buying a "concept" and not worrying about fundamentals.

• Another concern is politics.
Since 1984, when Britain agreed to transfer Hong Kong to China, the local market has suffered what is known as a "political discount". This is shown up in the difference between Hong Kong's "rating" relative to other Asian markets.

investors are currently prepared to pay prices equal to 19 and 24 times future corporate earnings in Asian markets such as Singapore, Malaysia and Thailand. In spite of the recent rise in prices in Hong Kong they are prepared to pay only level is above the historical trend, suggesting that either the market is in the process of being re-rated upwards to south-east Asian levels, or that a savage correction down-

wards could be in the offing. By the end of the year Hong Kong could be coming to terms with a rupture in Anglo-Chinese relations brought about by the mability of London and Benjing to agree a way forward for Hong Kong's political system. But even though Mr Patten is discussing scenarios for the endgame of the talks in London this week, the optimism generated by the rising market has led many to maintain that the governor and his political reforms are irrelevant.

n the words of Mr Peter Churchouse, Morgan Stanley's chief strategist in Hong Kong "Even if the talks break down, so what? Is that going to cause any blow-up in the China story? I don't think so," Others are not so sure. Says Mr Hart of Croshy: "U!timately, a breakdown in talks must have some effect. A lame-duck government for three and a half years cannot be interpreted as good

More seriously. US-China relations are strained. The US wants to see an improvement in China's human rights record - which it has linked to further renewal of China's most favoured nation (MFN) trading status. It also wants it to hopour agreements to open the Chinese market to US goods and services. political event this month is not Patten in London but Clinton and Jiang [Zemin, China's president] in Seattle", where it is hoped that more workable relations can be

established.
The loss of MFN for China would hit Hong Kong in several important ways. As the main processor of China's external trade, Hong Kong's domestic economy would suffer a loss of income by virtue of reduced trade between China and the US. Additionally, it would lose from the knock-on affects of slower growth in China feeding through to lower incomes for Hong Kong's companies on the mainland.

However, in spite of this uncertainty, the flow of US money into stemmed immediately by concerns about politics or warnings of corrections. The amount of money flowing into US mutual funds (equivalent to UK unit trusts) - possibly as much as \$200bn this year - is huge; it has to go somewhere, and a chunk of it will be dedicated to buying China

through Hong Kong.
In a world starved of investment opportunities, Asia holds promising rewards: Hong Kong the most promising. "Hong Kong might be a bit frothy, but you come back to it by a process of elimination," says Mr Hart. "Hong Kong still beats most [other Asian markets] on the basis of valuation.

Says Ms Wai Chin, south-east Asian analyst at the US investment group, Scudder, Stevens & Clark; Essentially, an investment in Hong Kong today is an investment in the growth potential of China because the economies are so linked...If you believe the economic reforms will continue in China, Hong Kong can only benefit."

That is the "if" with which investors have to grapple. For the time being, at least, it is one which an increasing number of foreign fund managers have responded to in the affirmative. As to who is the "greater fool" - those now buying or those now selling - the next 12 months should prove decisive.

FAO's food for thought

Spare a thought for Patrick Cunningham, one of the successful candidates for the top job at the UN Food and Agriculture Organisation. Cunningham got knocked out in the first round of voting yesterday after collecting just one of the 163

So how come 59-year-old Cunningham is so unpopular? The man from Ireland has an impressive record as director of FAO's animal production and health division. Last year, he headed a successful campaign in North Africa to eradicate a deadly animal disease known as New World Screw-worm.

But in an election campaign pamphlet, FAO - The Issues, Cunningham was rash enough to suggest certain reforms that he believed were necessary at FAO. And there is scarcely anyone with even a passing knowledge of FAO who does not believe that reforms are necessary. So this seemed nothing new.

But the present FAO boss, Edouard Saouma, took a dim view. He promptly cancelled Cumpingham's travel budget, thus rather restricting his campaigning. Worse still, he did not renew the irishman's three-year contract when it expired in August this year Given his successful attack on the New World Screw-worm, renewal

would normally have been automatic Seems a funny way to run an election.

monetary policy in two Lionel

hardly needs to blow his own

trumpet anyway, for he is already

viewed with a degree of awe in

England. Andrew Crockett, the

Control of the Contro

London, not least at the Bank of

Robbins memorial lectures at the

Pöhl in person Rarl Otto Pöhl, the former Bundesbank president who quit in 1991 after a row with Chancellor Helmut Kohl and who these days runs pukka private bank Sal Oppenheim, likes to keep his head below the parapet. Today and tomorrow, however, he has been persuaded to air a "personal view" of international

London School of Economics. Diplomacy will probably prevent 'I was found guilty of infringing Pohl dwelling on two of the more someone's privacy prescient warnings of his Buba presidency. In his dispute with Kohl Bank's international director, due over the costs of German to be officially confirmed today as the new general manager of the reunification, Pöhl's forebodings have proved all too correct -Bank for International Settlements, something which still rankles with once even thought aloud that Pöhl Kohl. Again, when Britain joined the ERM, Pohl personally told John could take a seat on the future board of an independent UK central Major (then chancellor of the bank.

exchequer) that the chosen A pipe dream, perhaps, but two years after he stepped down from exchange rate for sterling against the D-Mark was too high - a the Bundesbank hot seat, the City forecast in which he has also been has probably not seen the last of vindicated. Karl Otto. But the former central hanker

UNEPotism

■ Reverting to the subject of the peculiar ways of UN agencies, could

the United Nations Environment Programme not have looked a little further before awarding its annual \$200,000 environment prize to Mostafa Tolba, UNEP's executive

director from 1976 until his retirement last year? Tolba's successor, Canadian Elizabeth Dowdeswell, apparently expressed reservations about the choice of this year's prize-winner. However, she was unable to persuade the selection committee, nominated during Tolba's reign, to reverse its decision.

A UNEP press release said Tolba had been honoured for going "far beyond the call of duty in his commitment, dedication and contributions to the environment". Tolba does have some feathers in his cap - notably the Montreal Protocol for the protection of the ozone layer.

Back in his native Cairo, Tolba expressed neither surprise nor embarrassment at UNEP's decision to top up his pension with such a generous award. He plans to use the money to establish a National Centre for Environment and Development in Egypt. No prizes for guessing who is

likely to be president.

Whitwam's path

It takes more than a few jitters on world stock markets to knock burly Dave Whitwam off his stride. The chairman and chief executive of Whirlpool, the world's largest

white goods company, passed through London yesterday on a whistle-stop European tour to drum up interest in his company's shares. Not the best of timing, one might have thought. But Whitwam is unabashed. Having bought the Philips white goods business in 1989 and established Whirlpool's brand name in Europe, he is now intent on building up a following among European investors.

His target is for 10-15 per cent of Whirlpool's shares to be held in Europe eventually. At the moment the figure is around 3 per Like hundreds of US executives

before him, he hopes to attract that much sought-after species, the patient long-term continental investor. The species, whose natural habitat is Germany and Switzerland, has suffered a few knocks recently. But Whitwam reports that it is still alive and well.

Indeed, at the Zurich meeting, one potential investor even had the temerity to ask a question about Whirlpool's latest quarterly

He was nearly attacked by fellow investors for asking such a short-term question.

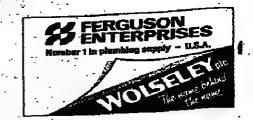
Hopeless case

Anxious parent overheard in a department store in Glasgow: "Pandora, come away from that



FINANCIAL TIMES

Tuesday November 9 1993



Community unites behind tough response over Uruguay Round

EC blames US for Gatt delay

By David Gardner in Brussels

A UNITED European Community yesterday put the US in the dock for holding up progress in the Uruguay Round world trade negotiations and rallied behind European Commission efforts to seize the high ground in the last weeks of the seven-year-old talks.

Foreign ministers of the 12 closed ranks behind a toughly worded summary of the state of the talks from Sir Leon Brittan, EC chief trade negotiator, which described US and Japanese failure to match the Community's offer on market access and cutting industrial tariffs as the barrier to concluding the Uruguay Round by its December 15 dead-

France, which is insisting on better terms on subsidised farm trade and wants to keep cinema and broadcasting out of any Gatt settlement, had been expected to raise the temperature.

Instead, Mr Alain Juppé, French foreign minister, endorsed the Commission report, falling in with Brussels tactics of turning France's aggression out-wards. The Commission wants at all costs to avoid more intra-Community wrangling over Gatt. and to be able to negotiate flexi-bly on Europe's behalf.

"My optimism is enhanced by today," Sir Leon said, "in so far as there are no divisions in the Community. The Community is supporting what I'm doing." Mr Douglas Hurd, the UK foreign secretary, praised Sir Leon's tactics, and said: "We're coming towards the end, I hope, I believe." With 37 days to go to the deadline, Mr Hurd reckoned a deal was 85 per cent done. "It's the top 15 per cent that's difficult," he said.

Sir Leon added that "the Com-

munity has an enormous amount to gain from a Gatt agree We should therefore seize the initiative and keep the initiative." Sir Leon also conceded that a final European decision would, in political terms, require unanimity, although in Community treaty terms trade affairs need only a majority under the EC voting system, which is weighted

according to the size of member

talks tomorrow with Mr Mickey Kantor, US trade representative, on his way to meetings in Japan and South Kores. But Washington has withdrawn from further high-level contact with the EC until after the November 17 votein Congress on the North Ameri-

can Free Trade Agreement. He attributed lack of progress "essentially to the American preoccupation with Nafta", which also enabled Japan to drag its feet on opening its markets for processed foods and financial ser-

But the EC offer to cut indus trial tariffs by around half, the commissioner said, had already elicited positive responses from a

Euro-bank chief casts doubt on ERM

Lamfalussy to tell MEPs he will draw attention to policy imbalances

By Andrew Hill in Brussela

MR Alexandre Lamfalussy. president-elect of the European Monetary Institute, has promised to be a strong critic of "unbalanced" economic policies which threaten the European Community's objective of monetary union. In the first public indication of how he sees his role - contained in written answers to members of the European Parliament - Mr Lamfalussy also cast doubt on a return to the old European exchange rate mechanism, saying he was not sure it was "a realis-

Mr Lamfalussy is due to appear tomorrow before the parliament's

committee on economic and montary affairs and industrial policy. MEPs must deliver an opin-ion on his candidacy before he can be formally confirmed as president of the Frankfurt-based forerunner of a European central

His written replies to the committee's questions were obtained yesterday by the Financial

The EMI will supervise the second stage of Emu, beginning on January 1 1994, and advise EC members on monetary and exchange rate policy leading up to full currency union by 1999. in his reply to the parliament's questionnaire, Mr Lamfalussy said the EMI would be more than just a passive observer of BC economic and monetary policy. In particular, he said he would

be prepared to highlight any imbalances between monetary and fiscal and other economic policies which could jeopardise the Emu aims. "I shall make it my duty to draw attention to the risks arising from an unbalanced policy mix," he said. He also indicated he would be

prepare to bang heads together if monetary and economic polici appeared to be contradictory. He said he would make full use of the EMI's power to encourage dialogue between central banks

Referring to last August's decision to allow ERM currencies to fluctuate more widely. Mr Lamfalussy said the currency crises of the last 18 months had removed the "disciplinary framework" which previously helped promote convergence of mone tary policies.

Mr Lamfalussy said working out how to co-ordinate monetary policies effectively in such a situation would be one of the EMI's

Mr Lamfahussy, currently general manager of the Bank for International Settlements in Basle, will head a council made up of governors of the EC central

Beijing moves closer to Patten Banks face on Hong Kong voting changes

By Simon Holberton In Hong Kong

CHINA has indicated a willingness to agree to some of the plans of Mr Chris Patten, Hong Kong's governor, for the colony's political devalopment but Loadon and Beijing remain far apart on his proposals to increase democracy.

It was understood yesterday that Chinese officials had suggested at a meeting with Sir Robin McLaren, Britain's ambassador in Beijing, that they might be ready to accept Mr Patten's proposals on voting age and methods, and possibly on local government election procedures.

The suggestion, which could be seen as the first sign of movement by Beijing towards an agreement, was communicated to Sir Robin last week after the 15th round of Angio-Chinese talks on Hong Kong's political develop-ment. Sir Robin is leading the British side in the talks, which have dragged on for six months with little sign of progress. The latest Chinese offer has

not been formally made and Hong Kong officials fear it may

Europe today

Five-day forecast

Wintry conditions will settle in the northern CIS and north-east Scandinavia as a strong

pread frost extending into the day and

high pressure area persists over north-e Europe. The cold, arctic air will give

snow showers will develop. Active low pressure areas will move from the Atlantic

Associated frontal systems will cross the British Isles causing widespread outbreaks of rain, Southern England will have sunny

outbreaks of rain and drizzle will prevail over an area from the northern Alps towards

Denmark. Southern Europe will be sunny with

Unsettled conditions will slowly spread from the UK towards the Low Lands. High pressure

over north eastern Europe will slowly expand towards south eastern Europe, causing a

surge of cold air later this week into Balkan

States, Turkey and Greece. In eastern Scandinavia and CIS cold and wintry

conditions will persist. The western Mediterranean will become unsettled with

be designed simply to muddy the waters ahead of tomorrow's meet- to be decided by popular vote ing in London of British ministers and officials to decide UK policy on Hong Kong.

According to one Hong Kong official: "It is chicken feed. It has been dangled before us. They have not given anything yet." A cabinet sub-committee will be chaired by Mr John Major, UK

Mr Douglas Hurd, foreign secretary, Mr Patten and Sir Robin. Before leaving for London, Mr Patten said the meeting would be a stock-taking exercise which for future talks with China.

Details of China's latest sugg tion have not been disclosed. But it is understood to include Chinese agreement to reduce the votnese agreement to reduce the vot-ing age in the colony to 18 from 21 and possible agreement to dis-pense with appointed officials at local government level.

Mr Patten's proposals for politi-cal development include direct election of all members of district

boards from next year. The Chinese also hinted to Sir Robin that the 20 Legislative

could be elected on the basis of one-person-one-vote in singlemember constituencies, in line with Mr Patten's proposals. However, the Chinese govern

ment is opposed to Britain's attempt to broaden the franchise for the other 40 seats which will prime minister, and attended by

constitute the 1996 LegCo.
For 30 of these so-called "func-tional constituencies" which reprecent business and professional groups, Britain wants to expand the franchise. It wants individuals who constitute the groups to vote rather than corporate bod ies. China wants to retain corporate voting which it calls a mat-

selected by an electoral college. Britain has compromised by agreeing an electoral college structure similar to that set down in Beijing's Basic Law - its constitution for Hong Kong after sovereignty passes from Britain to-China in 1997.

> Footbold on cliff of opportunity, Page 17

limit in Russia

Continued from Page 1

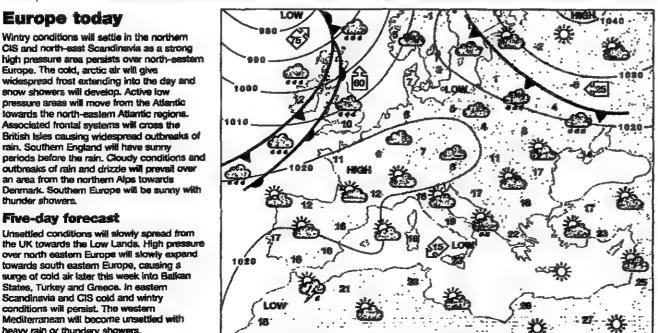
only three – Crédit Lyonnais in St Petersburg, Bank of Austria and the Banque Nationale de Paris/Dreedner Bank joint venture in Moscow - have opened their doors for account

"The pie is certainly increas ing here, and there are a dozen or two of the Russian banks which are attracting a lot of business as well as the foreign banks," Mr Fullenkamp said. The main ministers for the economy and finance have voiced strong doubts about the competition offered by the for-

algo banka. minister for finance, said in a press release last Friday that while in general the governforeign bank branches as long as ministry intended to maintain strict limits to their operations. Mr Gaider said in an interview

with the newspaper Izvestiya last Saturday that over-hasty granting of licences could lead to daugerous and far-reaching consequences" for the Russian banking sector.

FT WORLD WEATHER





THE LEX COLUMN

Akzo's Nobel prize

Another commanding height of the Swedish economy is falling into foreign hands. Yet Akzo's takeover of Nobel industries is likely to prove far less emotive than the marriage of Renault and Volvo. The financial plight of Nobel - arising from adventures in real estate rather than lack of compe tence in chemicals — always demanded an overseas partner. Akzo looks as good an industrial fit as the company was likely to find. The Swedish government must welcome the prospect of a tidy exit from its unwanted 70 per cent stake in Nobel at a healthy prenium to the market price.

Akzo shareholders might be forgiven a few qualms. The deal will dilute earnings per share next year. It brings a large share placing now and the prospect of additional supply later, assuming the Swedish governmen moves to reduce its stake in the merged company. The immediate financial benefits - such as refinance ing Nobel's punitively expensive pref-erence stock with low-yielding Akso shares — will limit the initial damage to earnings. Writing off Nobel's acquired goodwill to the balance sheet in the Dutch manner, rather than mortising through the profit and loss, will also help. But lasting benefits depend on the promised industrial synergies and cost savings being deliv-

Fortunately there is room for optimism on that score. Having started the process of cost cutting earlier than most of its continental European rivals, Akso's management mind-set-should be well adjusted to the task. If the competition authorities do not object, the merged company will overtake ICI to become top dog in Euro-pean paints. That should yield easy rationalisation in marketing and distribution. With so many shares being asued to fulfil its ambition, though, Akzo will have to come up with more than a fresh lick of paint.

UK economy

The initial impression from yesterday's producer price and consumer credit figures is that both demand and price pressures are strengthening. On closer inspection, though, this conclusion looks flawed. Consumers are shedding some of their aversion to debt, but such a development follows naturally from the previously-reported recovery in retail sales. Besides, part of September's £489m increase in conumer credit reflects building society lending in connection with business

FT-SE Index: 3077.6 (-8.0)



expansion schemes as well as the

stronger car market. momentum can be maintained. In the short run, the CBI's October distributive trades survey is disappointing. One interpretation of the flatter trend is that consumer appetites will only really be titiliated by the kind of discounting which was prevalent in the summer but has since died away. That does not suggest a level of confidence able to shrug off the fiscal tightening which is already in train, let alone any further tax increases in the budget.

But consumers' caution makes infla-tion less threatening. True, there is an upward drift to the annual rate of output price rises adjusted to exclude food, tobacco and petroleum. At the retail level, though, food price infla-tion should be dampened by competition among the supermarkets, while manufacturers' input prices are still falling. There would be room for rate cuts, if the chancellor has the courage to risk the blow to consumer confidence by raising taxes in the budget,

Associated British Foods, the UK's biggest manufacturer of daily bread, must be praying for a miracle to deliver it from the evil of price competition. Yet, if anything, the market is about to deteriorate some more. Following J. Samsbury's price offensive last week, Kwik Save has sliced the price of bread again. Although retailers are mainly absorbing the pain, such competitive pressures will prevent bakers from raising the price of branded breads. With continuing overcapacity and flour and wage costs

gins can only suffer more. ABF's cast from balance sheet will allow it to endure the misery better than the likes of Tomkins. Nevertheless, ABF's prospects look decidedly dull, especially considering the declining income on its £500m cash pile. Perhaps the only way to stimulate a re-rating would be to spend this cash. Despite his oft-professed dislike for wheeling and dealing, Mr Garry Weston has proved a dah hand at acquisi-tions and disposals. Comfort can be drawn from the cautious way Mr Wes-ton treats ABF's money as his own which is perhaps not surprising since he remains the company's biggest shareholder. If only he could repeat his trick of selling the Fine Fare gro-cery chain and recycling the funds into British Sugar - which has just lifted profits 17 per cent - sharehold

Lufthansa

in glaring contrast to Air France's equivocations, Lufthansa is resolutely attacking its cost base. Although passengers remain few and far between Lufthansa has been able to record a rare third-quarter profit after cutting operating expenses by 4.5 per cent over the first nine months of the year, The financial stringency is continuing, promising further margin improvements. Demand should also begin to pick up next year while the link-up with United Airlines holds out considerable promise over the longer term. The German stock market has been quick to scent recovery. Lufthansa's \ shares have risen almost 70 per cent over the past year, even though the company is unlikely to record an annual profit until 1995.

This seemingly provides an encour-

aging backdrop for the German state to reduce its 54 per cent holding further. But with a weighty deficit hang-ing round its neck, the government can ill-afford to take on Lufthansa's DM4bn pension fund obligations. A nation of the Alcazar alliance would give Lufthansa another cause for concern. The four airlines, which rim Germany, could well develop into a formidable force in European aviation. However, the clash between KLM and Swissair over which US carrier should be chosen as the alliance's transatlantic partner threatens to scupper the whole deal. That would be doubly good news for Luthansa if it cleared the way to it securing an ailiance with austrian Airlines.

NEW ISSUE

rides have not been registered under the Secursies Act of 1933 and may not be affered or sold of Saves obsert registration or an applicable exemptom from the registration requirements, ettics having been previously sold, thus announcement appears as a matter of record only.

OCTOBER 7, 1943

U.S.\$102,000,000



Guangdong Investment Limited

(incorporated with limited liability under the laws of Hong Kong)

41/2% Convertible Bonds Due 1998

These securities were offered internationally and in the United States

International Offering U.S.\$72,000,000 Principal Amount of Bonds

> CS First Boston Merrill Lynch International Limited

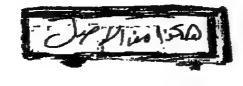
Deutsche Bank AG London Lombard Odier International Underwriters S.A. Peregrine Capital Limited

HG Asia Securities Nomura International **UBS** Limited

S.G. Warburg Securities

United States Offering U.S.\$30,000,000 Principal Amount of Bonds

CS First Boston





Merck's

deal given

clearance

Medco

INSIDE

Lufthansa lifted by cost-cutting

Aggressive cost-cutting helped Lufthansa, the state-controlled German airline, return to profit in state-common darman amme, return to prote in the third quarter, in the three months ended September it made a pre-tax profit of DM145m (\$85.8m). This cut the loss for the first nine months to DM76m, sharply down from the DM262m deficit in the same period last year, Page 20

Minoita profits fall

Minolta, one of Japan's leading makers of cameras and photocopiers, blamed depressed profits on a decline in consumer and private capital spending and a strong yen. Page 22

Sculley unveils expansion plans Mr John Sculley, the former chairman and chief auditive of Apple Computer who last month joined Spectrum Information Technologies, a small technology development company, has unwelled aggressive expansion plans. Page 23

The lure of Gemme

Securities houses are queueing up at the Bank of England for approval to set up as gitt-edged mar-ket-makers (or Gemms) tured by the prospect of earning healthy profits. Page 23

Hotel groups in leadership talks The dispute between Forte and the Savoy group could resume today as the two sides begin discussions over who should take over the leadership of the Savoy's hotels. Page 26

Australian bank to enter UK life National Australia Bank is seeking to build up a life and pensions operation in the UK, and is considering acquisitions, joint ventures or the creation of a new life company. Page 26

Sweet-smelling car parks



ballroom of the hotel with a delicious aroma. Even the car park smalled good. Once inside the eight of beautifully presented fare together with offers to pleted an enjoyable pastron ence. This was a presentation by Food From Britain. Page 30

Differing moods on equities

Equity markets were sanguine after lest week's declines that stemmed from Wali Street and sollied over to Europe and Asia, resulting in a 2.3 per cent fall in the FT-Actuaries World index. But views on future direction differed, Sack Page

Market Statistics

	_
Amilian I reserve	36
Benchmark Goyt bonds	24
FT-A indices	31
FT-A world indices Beak	Tage
FT fixed interest indical	24
FT/ISMA int bond svc	24
FT guide to currencies	2.1
Prencial futures	35
Foreign exchanges	le c
London recent issues	2.

(7

London share service Little equity options Landon trade. (pulsars, Managed fund service World commodity prices
Warld stock mix Indices

Companies in this issue

ARF	19, 26	Hunt Leuchers & Hep.	
Adem & Hervey	26		
Akzo	18	JP Morgen	
Amconi	22	LVD	
Amcor		Lufthense	
Ario	28	Matsushital	
Automagic Holdings		Mediciti .	
BZW		Mincelt	
Banner Homes	26	Minoité	
Barcisya Bank	19	Mitsui OSK Lines	
Bespak	26	Monron	
Bowater	26	NAB	
British Airways	R	National Express	
British Empire Trust	26	Nippon Yusen Kalsha	
Bula Resources	26	Nobel	
CSR	22	Owners Abroad	
Celitech		PSGI	•
Christiania Bank		Prowting	
Goca-Cola	6	Renault	
DnB	20	Ridley Corp.	
EW Fact	28	Savoy	
Estates & Agendy	26	ShareLink Inv Servs	
Ferranti		Singapore Press Hidg	
Ferruszi	10	Solvay	
Pisher and Paykel	22	Spectrum Info Tech	
Pisons	20	Spring Ram	
Folous Bank	20	Standard Chartered	
Forte		Storm Group	
GEC	26	Telspec	
Goodman Fielder	22	The Equitable	
Govett Emerging	26	Towry Law	
Gromark Packaging		Tribasa	
HCG Llowda law Trust	26	Union Bank Norway	

Chief price changes yesterday

Wardle Storeys

Wilson and Horton

				PARES (FFr)			
PANKFURY	(Mary			Stines here			
Rives	1125		35	General (Social)	775	+	2
Hodratet	617	*	20	C.Ousel	1170	+	- 4
Karstadi.	110	•	C U	Feits			
Falls			30	Castel Plus	1249	_	τ
Leitheit	740	_	13	Geophysique	590	_	1
Mercades	720 790	-	29	Paratopandan Caption American	936	-	3
Pondo		-	11	Seint Louis	1352	-	3
Zanders Frigap	201	-		TOKYO (Yes)			
HEW YORK (P)			Rhone			
Rises			1	Toyo Tyresifuib	365	+	1
Chrysler	5514		'y ₆				
General Motors			116		470	-	1
Commins Engine	98%		1%		865	-	2
Pracamonol.	8114 3814		150	Ministri Plastic	465	-	2
Medco	384	+		Olostna Corp	734	-	2
Falls	32		16	Sozaltomo (Siche	460	-	3
Merck	32	-	-				
New York prk	ee at 1	2.30	pat-				
LONDON (Per	ilce)			Bespirk	118	-	15
Rises	247	+	12	Draw Scien	73	~	1
Albai & Harwy Ausonasic	27	Ŧ	14		342	_	1
	- 21		17	Geest	M	_	1
	475						
BAT	478	:		CERNICAL MARKET		_	_
BAT	1537	+	2	GLOSKÓWOL FARM	125	-	
BAT Duff Res	1537 33	÷	2	GLOSKÓWOL FARM		-	
BAT	1537	+	2		125		

Ferruzzi to sue Price Waterhouse

By Haig Sknonian in Milan

THE NEW management of Ferruzzi Finanziaria (Ferfin), the Italian industrial group with borrowings of more than L28,000bn (\$17.6bn), plans legal action against Price Waterhouse, the international accounting group which audited its books.

The move, to be put to shareholders this month, is a second blow to Price Waterhouse. In August, Consob, Italy's companies and stock markets watchdog. revoked the firm's authorise-

BZW to

Barclays'

European

curtail some lower-margin syndicated loans to raise earnings.

Commercial banks are moving

to sell a wider range of services

to big companies to make up for

narrow lending margins. This move will be followed by a

review of large corporate business in the UK next year.

Barclays said yesterday the review might lead to some large

British customers being moved to the overall control of a BZW

account executive rather than

being handled by its retail and

The initiative follows the

transfer of large corporate lend-ing in the US to BZW at the start

of this year. The bank is already transferring its Asian business

to BZW, but retail banking in

Surope will remain within the banking division.

executive, said the division

would review large corporate

contracts in Europe and whittle away those in which it could not

add services to lending. It expec-

Mr Band said BZW hoped to

sell corporate finance advice,

securities underwriting, risk management, and pension fund management to European cli-

ents. Contracts were at risk

where it was only part of a loan

The transfer follows a joint

wholesale transfer of mensely more complex" rela-

BZW/banking division review. Mr Band said it decided against

tionships with large British com-

panies. Mr Alastair Robinson,

head of the banking division, said Barclays wanted to ensure

that big UK companies could choose which part of the bank suited their needs. He did not anticipate a "mammoth change".

National Westminster already handles relationships with large corporate clients under its Nat-

West Markets corporate and investment banking arm. Mr Robinson said there was no disagreement between the BZW and

large corporate clients and the

bank was evolving with the mar-

ted to retain 300 customers.

Mr David Band, BZW chief

corporate banking division.

control

lending

By John Gapper, Banking Editor

the grounds that it had failed to reveal alleged accounting mismanagement and political cor-

Ferfin, which announced a first-half 1993 loss of L1,136bn, accused the accountants of "neg-

Ferfin's new board, largely appointed by the group of five Italian creditor banks behind a restructuring plan, also issued a figures showing a continuing

tough warning to foreign bank creditors still undecided about the proposed debt moratorium and reorganisation. Continued opposition to the plan beyond November 30 could risk the salvage operation, Ferfin warned. It has called a shareholders' meet-

To underline the claim that the group remained fundamentally sound and faced a financial, rather than industrial, problem, Ferfin issued partial nune-month

improvement in its performance, Group sales jumped 16.4 per cent to L16,779bn, while gross operating profits rose 26 per cent to L1,587on. The upturn in turnover covered the entire span of Perfin's agro-industrial, chemical and energy activities, with only

In an attempt to win over recalcitrant foreign banks, many of which have been incensed by the restructuring plans, Mr Guido

week held talks in New York with Citibank, a leading foreign creditor. Foreign bankers have focused on the terms of the restructuring, which they say layours shareholders over creditors, and a lack of transparency on the part of Mediobanca, which leads the Italian creditors.

Ferfin said banks representing about 75 per cent of its borrowings had now approved the plan. However, foreign institutions have objected to the proposals Rossi, Fertin's chairman, last

By Richard Waters in New York nd Paul Abrahams in London US ANTI-TRUST authorities

yesterday cleared the proposed \$6bn takeover by Merck, the US's largest drugs group, of Medco Containment Services, its biggest drugs distributor, opening the door to further reshaping of the pharmaceuticals industry.

By acquiring Medco, Merck -which claims a near 8 per cent share of the US market - would control the distribution channel through which drugs are supplied to 33m people.
The Federal Trade Commission

isked Merck in September about the acquisition, suggesting it might challenge the deal. Yester-day, though, Merck said it had FTC clearance even before it had supplied all the evidence.

The acquisition is likely to be completed on November 18, when Medco shareholders vote on it. News of the FTC clearance lifted Medco's share price by \$1% to \$38%, while Merck's shares fell back on fears that the take-

over would dilute earnings. The deal signals Merck's belief that pressure to hold down drug prices will force manufacturers to fight for market share instead. In an interview ahead of FTC approval, Dr Roy Vagelos, chairman and chief executive, said: "We're not just trying to remodel Merck, we're trying to remodel the entire industry. The rest of the sector normally (ollows what we do."

Dr Vagelos said access to Med-co's database, which carries details of drugs taken by individuals as well as the outcome of treatment, would enable Merck to target drugs more precisely. Access to greater information would also make it easier for Merck to price "capitation" ser a person's drug needs for the year for a flat fee.

The FTC's clearance is likely to intensify the debate among other drugs companies about the merits of vertical integration. Some industry executives ques-tion whether Merck is overpay-

co's database will produce many advantages. Health insurance companies and health management organisations already have databases which carry more information about the outcomes of courses of drug treatments than that maintained by Medco, according to Mr Raul Cesan, president of Schering Laborato-ries in the US, part of Schering-

ligence" and "lack of skill" in ing later this month to approve a the depressed cement and buildauditing its books. Price Water-house was unavailable for comsubstantial capital increase ing materials side showing a 10 per cent fall. ment last night.

Akzo and Nobel will together create the world's largest paints group, report Paul Abrahams and Christopher Brown-Humes

estarday's merger between Akzo of the Netherlands and Nobel of Sweden is the largest transaction in the European chemicals indus-try for a decade. The industrial and financial logic of the complex deal, effec-

tively a takeover of Nobel by Akzo, is impeccable. Akzo assumes Nobel's crippling debts of SKr10.7bn (£380m) and refinances them at far lower cost. At the same time the Dutch group acquires Nobel's chemicals and BARCLAYS, the biggest UK bank, is to move control of large coatings operations, creating the largest paints group in the world. corporate lending in Europe to its BZW investment bank and

The financial aspects of the deal are elegant. Securum, the state-owned Swedish investment vehicle, is paying Akzo SKr4.1bn for two of Nobel's businesses and will also take on SKr1.2hn in debt, reducing Akzo's difficulties in financing the Swedish company's debt. The two operations are Nobel's biotechnology division and Spectra-Physics, its electrical-optical instruments oper-

The Dutch group also intends to redeem Nobel's high-yield pref-arence ahares which had proved burdensome. To pay for the preference shares and reduce debts further, Akzo is issuing stock to raise Fil.Sbn. Mr Aarnout Louexpected Akzo-Nobel, the new company, to have gearing of

Mr Lars Thunell, Securum chief executive, said: "Today's agreement means that industrial operations which had been damaged through connections with real estate and finance companies will now be financially sound and in the proper indus-

trial environment. As for industrial logic, Mr Loudon explained: "The two bustnesses are really an excellent fit. We're wondering why we did not arrive at the conclusion earlier. When you take out the financial charges and financial hedging problems Nobel has been having, these are well run businesses. Some are better run than divi-

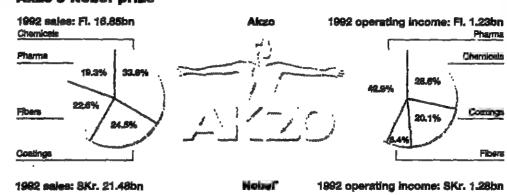
sions at Akzo." Nobel made operating profits after depreciation last year of SKr1.28bn, but after financial expenses, profit only amounted to SKr237m.

The driving force behind the deal is the benefit to be derived from combining the companies' coatings operations. On 1992 figures, the new group would have annual coatings sales of about F16.8bn (\$3.3bn), making it the world's largest coatings concern, bigger than Imperial Chemical Industries' operations which last year had sales of £1.58bn. Akzo-Nobel will be one of the strongest forces in the European decorative paints market with annual sales

The chemicals operations should also benefit from the ket. "I do not see this as a battleground. It is a matter of logic," he said. merger, according to Mr Loudon. Nobel is the world leader in pulp BZW announced the appointment of Mr Patrick O'Sullivan, bleaching and second in paper currently general manager Europe for GE Capital's Financhemicals. By combining the two businesses, Akzo-Nobel will also have a good position in the man-ufacture of monochloro acetic cial Guaranty Insurance Com-pany, to the new post of head of bank finance as a result of the acid. Some rationalisation of the combined detergent surfactants

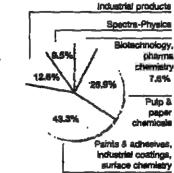
When one plus one is more than two

Akzo's Nobel prize



Pulp & paper chemicals 164% 12.5%

industrial coatings.



operations, particularly fatty amines production, would be required, he said. "There are plenty of opportunities for the chemicals operations to prove

more than two."

Akzo-Nobel will continue to rationalise businesses from both companies, he said. However, as neither company had significant operations in the other's home country, there should be few job losses in either the Netherlands of Sweden. Apart from fatty

Potentially the biggest obstacle

Mr Loudon said he did not underestimate the difficulties of merging the two cultures, although he added there were likely to be fewer difficulties between the Swedes and Dutch than, say, the Swedes and

The Dutch company has been at pains to take into account the

the European coatings operations. The group has also undertaken to continue R&D in Sweden and to maintain a number of units, including the paper chemicals and interior coatings.

Meanwhile, Securum will continue to exert significant influence on the new group through a

sory board will be Swedish, Mr 20 per cent stake. Mr Loudon expected Securum to dispose of some of its stake in a year's time when a stand-still agreement Akzo-Nobel's next challenge is

to generate the synergies it has promised. Mr Loudon pointed out that Akzo's last quarter indicated that the European economy may have bottomed out, if so, he added, the merger could have been perfectly timed.

****************** THIS ANNOUNCE MENT APPEARS AS A MATTER OF RECORD ONLY

£16,900,000 Management Buy-Out



National Leisure Catering Ltd from

Wembley plc and ARA Services plc

Equity led and arranged by

NatWest Ventures

Advised by

First Independent Corporate Finance

Equity provided by NatWest Ventures Lloyds Development Capital Montagu Private Equity

> Advised by Cameron Markby Hewitt

Senior debt provided by Bank of Scotland



INDEPENDENT

NatNeed Sentage of material Amendment (MRC). Parsi Independent Corporate Luiance Comited, Amends voicibe SEA

Ove Mattsson, Nobel chief execu-tive, will join the new company's board of management and run that the sum of one plus one is

amine production no plants would be closed, he added.

The merger still has burdles to overcome. The deal requires 90 per cent acceptance from Nobel shareholders, as well as the approval of Akzo shareholders. The peripheral assets also have to be sold to

is the EC's competition directorate. However, Akzo said yester-day that even if the EC decided would not halt the integration of the non-affected businesses.

feelings of the Swedes who are clearly junior partners. Two members of the 11-strong supervi-

Baking profits shrink in UK

By Maggie Uny In London

competition in the UK bread mar-ket, Associated British Foods, the leading UK baker, increased pretax profits from £267m to £338m (\$510m) in the year to September 18. The shares rose 4p to 479p. However, operating profits were only £4m higher at £273m

although sales rose 10.9 per cent to £4.39bn. Mr Garry Weston, chairman, said the fall in operating margins from 6.8 to 6.2 per cent was entirely due to lower An attempt to increase prices

halfway through the year had failed, he said. "A lot of bread is being sold below cost. The only hope is that the public will get

tired of eating cheap and nasty McDougall, the number two in passed on in higher bread prices. Lex, Page 18; Details, Page 26

IN spite of ever flercer over by Tomkins, the conglomerate, late last year. However, ABF is believed to have won back some market share. Mr Weston said "someone's gain is someone else's loss. There has to be a degree of retaliation. They have a right to my market share like I

have a right to theirs". There was no sign of any of the big independent bakers - many of which focus on a limited range of bread and of retailers - going

On the milling side, which is largely inseparable from baking, ABF had also suffered lower by-product prices because of lower EC intervention prices. A poor wheat harvest this autumn had led to a 5 per cent rise in flour prices, he said. Analysts said that Ranks Hovis

Andread to make the first the first the contract of the contra

the market, had been aggressive
On market share since its take

As well as milling and baking,
ABF makes a range of grocery products. Responding to the latest escalation of a food retail price war, he said food retailers were putting ever more pressure on manufacturers. "It has always been there, it always seems exceptional and it always gets worse. There is very little left for retailers to try and grab from food manufacturers."

Mr Weston said food manufac-

turers had been unable to recoun the higher costs of raw materials following sterling's devaluation. Rising bond markets meant

returns on the group's net cash of over £500m at the year end, net of interest, rose from £26m to £43m. Profits also included a £12m rise in the value of the group's stake in Berisford International, compared with a £22m

fall in 1992.

AGGRESSIVE cost-cutting helped Lufthansa return to profit in the third quarter, the state controlled German airline

It said in the three months ended September it made a parent company pre-tax profit of DM145m (\$85.8m). This cut the loss for the first nine months to DM76m, sharply down from the DM262m deficit in the same period last

Lufthansa forecast it would meet its target of halving operating losses by the end of the year, despite the usual seasonal weakness of the final

For the whole of last year, the parent company lost DM297m. The airline's objec-

Lufthansa said the return to profit in the third quarter was due to rationalisation rather than any revival in the crisisstricken airline industry.

Operating expenditure for the first nine months fell 4.5 per cent, while personnel costs dropped 9 per cent. In total, the number of group employees was down by 5.500, or 11 per cent, in the period from mid-1992 to the end of September this year.

This was against the backdrop of continuing price ero-sion in the industry. Prices for passenger flights had dropped by 8 per cent per kilometre over the last year, and by 2 per cent for freight. The passenger total rose 3.5

per cent to 25.8m in the nine

However, pressure on prices meant the group's turnover slipped 0.8 per cent to

The impact of the fall in revenue was offset by the combination of cost-cutting and a substantial increase in capacity utilisation, with the overall load factor climbing by 4.4 per cent to 69 per cent. This led to better operating results, Lufthansa said.

Hemjö Klein, a member of the Lufthansa board, said the airline would increase prices for internal German flights by DM20 to DM40 per ticket from the beginning of next year. Addressing a travel agents conference in Tunisia, he said prices within Europe were

Separately yesterday, Mr

The statement by the CGT coincides with opposition to the merger from some Volvo shareholders. They are demanding clarification of the likely to be increased by French government's plans to privatise the merged group and oppose the retention of a

> Mr Daniel Sanchez, the CGT's representative at Ren-Volvo investors were justified. Unlike Swedish shareholders, however, which want a firm commitment to privatise the group, the CGT is opposed to the sale of the French govern-

Eurofima lifts

Transport Correspondent

terday. the company, which makes PVC products, is held by Creditanstalt Bankversin, the Austrian bank with diversified authorised capital to SFr2.1bn. | manufacturing interests.

Norway forced to reveal bank plan By Karen Fossii in Oslo

NORWAY'S finance ministry plans to make public a condensed version of a confidential report laying out options for possible mergers between the big four Norwegian banks. It said yesterday the report, prepared by Davis International Banking Consultants of the UK, had gone missing. As a

would be made available. The report, commissioned last year by the ministry, had a mandate to make recommendations about the structure of Norway's banking industry with a view to improving prof-

RULES requiring issuers of

securities on German stock exchanges to publish a full pro-

spectus in a so-called "official

stock-market newspaper"

should be done away with, the president of the influential

Amodiation of German Banks

Germany was the only coun-

try in Europe to have such a

rule, Mr Eberhard Martini said

This put the German financial

markets at a competitive disad-

vantage to other European

He said it cost between

DM75,000 and DM150,000

per prospectus to comply with

By Patrick Stum in Vienna

SOLVAY, the Belgian chemi-

cals group, will today seek agreement to close down Hal-vic, the Austrian plastics com-

pany in which it has an 82

per cent stake. The request

will come at an extraordinary

meeting of Halvic's sharehold-

ers, the group confirmed yes-

The remaining 18 per cent of

By David Waller

said yesterday.

financial centres,

gone missing from the office of a member of the board of Norway's state-backed Bank Insurance Fund.

The ministry said it had not made any decisions about recommendations in the report. "In the discussion of possible merger solutions, all. combinations between the four. largest banks are considered," the ministry said. result, a condensed version

Norway's four biggest banks, ranked by assets, include Den norske Bank (DnB), Christiania Bank, Sparebanken Nor. known internationally as Union Bank of Norway, and

"The report considers differ ent measures to improve the The report has apparently profitability of Norway's bank-

ing business, among other things possible adjustments to the banks' domestic and international networks of subsidiaries and possible merger

solutions," the ministry said. Norway's banks have just begun to emerge from a sixyear crisis. Christiania Bank plans to launch a public share issue this year, while DnB said it would issue shares some

time next year. Against this background, the contents of the missing report are likely to raise a number of extremely sensitive political and stock market issues. The sector's fall into heavy

losses forced the state to take a controlling share in three of the four biggest banks. Spare-

Norway has refused to allow its banks to establish so-called "bad banks", into which defaulted loans are placed in a bid to speed recovery and pro-

tect healthy operations.

OnB said the bank had no plans to merge. Christiania Bank refused to comment on the report.

The report also suggests a further concentration of the savings banks and "sees Spare banken Nor as the natural centre for such a process". The report also sees the statebacked Post Bank and Post Giro as possible merger candidates for the banks.

Canadian railways plan part-merger

By Robert Gibbens in Montreal

CANADA'S two national rail systems plan a merger or track-sharing agreement for east of the Manitoba border as soon as the first quarter of

Canadian National and Canadian Pacific, reacting to domestic rate competition and pressures to reduce their unit costs. to US levels, have already egun small-scale track sharing and plan to close down or sell unprofitable lines in the

their links between Ontario and the US.

Mr William Stinson, chairman of Canadian Pacific, said in Toronto he was confident the government would approve the broad rationalisation they

are planning Future ownership and mangement of the system in eastern Canada has yet to be decided, he said, but added: But I don't see any room for government ownership in the

Fisons inducements inquiry intensifies

By Paul Abrahems in London

SENIOR managers at Fisons, the troubled pharmaceuticals and scientific equipment group, were yesterday interviewing a regional sales direc-tor as part of an investigation into alleged illegal marketing

Fisons said its early inquiries suggested there was a pos-sibility that some offers of inducement had been made to doctors to prescribe the company's products. However, it believed no money had been paid to general practitioners.

The company admitted a scheme had existed involving patient treatment cards, which could have led to payments to GPs. The programme had been withdrawn and had never been authorised by senior management said the company.

Such inducements are against the industry's code of practice and could lead to expulsion from the Association of the British Pharmaceutical Industry, and prosecution by the government's Medi-

cines Control Agency. Mr Rick Tiller, West Midlands regional sales manager, was interviewed yesterday by Mr Brian Higginson, managing director of UK pharmaceuticals operations, and Mr George Battersby, the personnel director. A decision about whether to suspend Mr Tiller had not been taken last night, according to

the company.

Mr Cedric Scroggs, chief executive, and Mr Mike Redmond, pharmaceuticals division managing director, are directing the investigation. Fisons wants to conclude its inquiry as soon as possible. The company said it was ini-tially concentrating on the sev-

en-strong west Midlands sales force, but would then ensure its country-wide sales forces had been behaving ethically. Fisons is undergoing a cost-cutting exercise called "FFF" -"funding Fisons' future" designed to cut 15 per cent from costs. The programme,

assisted by consultants Coo-

pers & Lybrand, is understood

to have damaged morale.

golden share by the French government after privatisation. Their demands forced Volvo to postpone until next

union in

protest

anti-Volvo

By John Ridding in Paris

THE Confédération Générale

du Travail, France's commu-

nist-led trade union group,

said yesterday that it planned

to hold a day of action on November 18 to protest against the planned merger

between Renault and Volvo.

The union, the largest at

Renault, described the merger

as "packaging, which is being

used to achieve a privatisation

opposed by the workforce". It

Paris and a stoppage by Ren-

ault workers.

ault, said the fears of the

share capital

By Charles Batchelon

EUROFIMA, the Swiss-based organisation which funds the purchase of rolling stock by many European railways, bas made large increases in both paid-up and authorised share

Its shareholders, which include the Deutsche Bundesbahn and France's SNCF, have increased its paid-up capital from SFr310m to SFr420m (\$282m) and doubled its

of the Bayerische Hypothekenund Wechsel Bank, warned the

the rule, and this could

drive business away from

Mr Martini chief executive rule increased the tendency of issuers of DM bonds to launch deals outside Germany. It also hindered the German stock exchanges' attempts to persuade foreign issuers to seek a listing in Germany.

Mr Martini suggested the proposed law on the reform of the German securities markets, the second Finanzmarktförde rungsgesetz which received cabinet approval last week, should be amended to do away

Solvay seeks to close Austrian offshoot

Halvic has made losses of

BFr600m (\$16.6m) in the past.

three years in spite of efforts to

reduce costs. The recession in western Europe, "unbridled" competition from east Euro-

pean producers, and high pro-

duction costs had made the

Austrian company uncompeti-

tive, Solvay said. Halvic's lack of size - it

employs 186 workers - and a

narrow domestic market for

PVC products were additional

Halvic produces 60.000

tonnes of PVC annually, repre-

senting about 5 per cent of the

The law contains sweeping measures to enhance German financial markets. It will make insider dealing a criminal offence, and establish a regulatory body for securities market

After his official speech yes terday, Mr Martini said the German banking sector was proving itself one of the most stable in the world. Despite the deep recession in

Germany, he said operating profits would rise substantially at many banks this year. However, he warned that these gains would be offset by, in some cases, "massive" provisions for bad and doubtful

Solvay group's 1.2m tonnes

tribute to bring about a better

balance between PVC supply and demand in Europe," Sol-

■ A senior executive vice-pres

ident at Rhône-Poulenc, the

French chemicals group, said there were signs of improve-

ment in chemicals prices. How-

ever, a rise in volumes was

still not in sight, Reuter

little in 1994, he said.

"Halvic's closure will con-

PVC production capacity.

vay said.

privatised next year.

The buy-out represents a after advice by its bankers that privatisation would be easier if shareholders were offered stock in a full-range life and

non-life group.

Buying out the Assitalian minorities, which own 40.5 per cent of the company, is expected to cost Ina at least L580bn (\$355m), based on Friday's pre-

tit he

Ina is expected to reveal its formal offer price later this

eports from Paris. This meant Rhône Pouleno's and hig financial transaction launched by Ina in recent operating profit may improve a



Deutsche Bundespost

Special Fund of the Federal Republic of Germany

Bonn

Medium Term Note Programme DM 2,000,000,000.-

Arranger

DEUTSCHE BANK

Co-Arranger SALOMON BROTHERS AG

WESTDEUTSCHE LANDESBANK

GIROZENTRALE

GOLDMAN, SACHS & CO. OHG

LEHMAN BROTHERS BANKHAUS

J. P. MORGAN GMBH

DEUTSCHE BANK

POSTBANK

SALOMON BROTHERS AG

Issuing- and Paying Agent

DEUTSCHE BANK

SCHWEIZERISCHER BANKVEREIN

(DEUTSCHLAND) AG

#SGS

SGS Société Générale de Surveillance Holding S.A. Delisting of the Bons de Cuissance, category A, with no per value, from the Swise Stock Exchanges Swiss security number 249.733

Following the offers made to the bearers to exchange or to purchase the Bons de Jouissance, category A, with no par value, of SGS Société Générale de Surveillance Holding S. A., Geneva, the number of existing Bons has been reduced to 1470. The market value of these Bons is now less than CHF 2.3 mio and represente approximately 0.07% of the total market capitalisation of SGS Société Genérale de Surveillance Holding S. A. The remaining market capitalisation of the Bons de Jouissance and their number no longer fulfill the listing requirements therefor as stipulated in the listing regulations.

For the above mentioned reasons, the Board of Directors of SGS Societé Générale de Surveillance Holding S. A., Geneva, has resolved to apply for the delisting of the Bons de Jouissance from the Stock Exchanges in Geneva and Zurich, The delisting has been approved by the Swiss Admission Office (SZS) and will become effective as from 15 November 1993. The last trading date on the Stock Exchange of the Bons de Jouissance will be the 12 November 1993.

After the delisting from the Swiss Stock Exchanges of the Bons de Jouissance, cat-egory A, with no par value, of SGS Societé Générale de Surveillance Holding S. A. off market transactions for these securities can be made through Union Bank of Switzerland during a period of three months immediately following.

Geneva, 5 November 1993 SGS Société Générale de Surveillance Holding S. A.

TELFORD 25™ BIRTHDAY

M FRANCIA. THESE PLANS TO PARLESS THIS SINNEY ON MICHODAY 13TH DECEMBER

Tellard has the largest concentration of laparnese industry located in any form in Europe, as well as many successful contentes from all over the work. This success atory will be of pardicular interest in 189,000 sector businessmen in the LIK who read the weekeday FT. To find out how to reach this important audience with your services, expertise and products, and to wish Telford a "happy Birthday", call

Paul M Jefferfs Te: 021464 0822 Pe; 021465 0889 Editorskot. Oskuthern ELS 1PG arcer BNICAC Builds Bu

OT SURVEYS

This year's FT/Power in Europe conference brings together equations from Europe, the USA Latin America, South Africa and Others to debate how the electricity inclusing is responding to s more competitive environment. Speakers Indude: Mr Nicholes Angyle, Cosmilesion of the European Communities; Dipl. -ing. Ludwig Strause, Bayannwerk AG; Professor Jan Popolyk, Switch, 1945, SoA and Mr Robert J Brunders, The World Be

- Global Prospects Bayond the Re London, 22 & 25 Nomenton The current confignate (acing pair fremical producers and the larger term guildoir for the

Organisation for industrial Consultings and Mr Schward A Wilson, Dow Europe SA.

Lexidon, 29 November - 1 December

Arranged juristy by the Financial Times and Venture Bosnomics, the Forum brings together industry expects from Europe and the USA to discuss the lesses and opportunities attenting the European venture capital community. The Forum will include sessions on new

DOING BUSINESS WITH SPAIN

Barble 1 & 3 December

The FP's annual conference, arranged with Expansion and Actualidad Económics, w eview the economic, budget and labour policies at the new Spanish Government as well at important questions on Europe's future and the conditions for monetary and political union The distinguished panel of speakers Includes: D. Pedro Solbes Mira, the Spanish Minister of Scoroomy & Finance, O. José Antonio Grinsin Martinez, the Spanish Minister of Labour & ickil Security, D. Luis Angel Rofo, Governor of the Sank of Spein, and Mr Rot

WORLD TRI SCOMMUNICATIONS

Leasten, T & & Concernies The conference debate will focus on the trands changing the shape of the worl elecommunications industry, with particular amphasis on regulation and the method eneral of OFTEL, Mr James H Quello, Chalman of the Federal Comp ommission, Mr Marc Dendelot, Conseller d'Elat, French Ministry of ucations. Mr Pái Horváth, Director General of the Hund scations Company and Mr Beasel Kok, Chief Executive Officer of Belgacom.

Following the publication of the Goode Committee's Report, the conference will decuse in strategies in a climate of tow inflation. Mr William Hague MP, Department of Social Security will give the opening address and speakers include: Mr Tom Floss, Clay & Partment Mr Britar news, ESN Pension Management Group: Mr Hugh Stavenson, Mercury Asset Management Group pic; Mr Ron Solii, Lagal & General Assurance Society Limited and Mr Rodney Dennis, Prudential Portfolio Managers Limitad.

THE OUTLOOK FOR HATLMAL GAR IN THE 1980s AND REYORD

This topical meeting will consider developments in key markets, avaiuste supply and demand, and axamine the financing of gas projects. Speakers include: Mr Richard C Green, Jr., UtilCorp United Inc; Mr H John Hawkshitw, BP Exploration Operating Company Urnited; Mr Cedric H Brown, British Gas pic; Mr Herbart Datherding, Wintershell AG; Mr Diamei Merad, Schatrach and Mr Reza Rostumi Sani, National Insulan Gas Con (NIGC).

All enquiries should be addressed to : Financial Times Conference Organisation, 102-108 Clerkenwell Road, London EC1M 5SA. Tel: 071 814 9770 (24 hour answering service) Telex: 27347 FTCONF G Fax 071 873 3975/3969

Buy-out to German exchange rule warning cost Ina L580bn

ASSITALIA, the Italian non-life insurance group, was suspended from trading on the Milan stock exchange yesterday after Friday's announcement that its majority share-holder intended to buy out the minority stake.

Assitalia, one of Italy's biggest general insurers, is con-trolled by Ina, the state-owned life insurance group due to be

suspension share price of

week. However, the deal may also involve some mechanism allowing Assitalia shareholders to swap into Ina stock on ori-

The Assitalia deal is the sec-

FT CONFERENCES

senger aervice franchising, the new leasing market in nativey rolling eleck and the regement of track infrastructure. Speakers include: The fit Hon Roger Freeman MP. krister for Public Transport; John Swift QC, Fall Regulator Designata; Roger Sal Franchising Director Designate; or Robert Horton of Relitrack and James Sherwao President & CED of Sea Completes United.

Industry will be reviewed, with papers on pricing, restricturing, corporate governance a competition issues. Speakers include: Mr Robert D Kennedy, Union Carbide Corporate Mr Clive H Thompson, ARCO Chemical Europe, Inc. Or Marcello Coliti, Enichem Mr Paul du P Kruger, Sasol Lid; Mr Makolo Takada, Merkada, Inc, Dr Neil Amin Atalia, Gulf

approaches to fund relating: buyoute; the outlook for technology investing in Europe and

PENSIONS - A Time for Change

Vienna, 13 & 14 December

This notice is issued in compliance with the requirements of The International Stock Exchange of the United Kingdom and the Republic of Indand, Limited the "London Stock-Exchange". It does not constitute an invitation to impresson to subscribe for or porchase any securities in EW FACT pic (the "Company"). topication for or perceises any securious in EVY PACT (or the "Company"). Application has been made to the London Stock Exchange for all of the existing ordinary of Shares of Speach in the capital of the Company and the New Ordinary Shares of Speach in the capital of the Company to be issued pursuant to the capitalism and subscription trainered to below to be admitted to the Official List. Dealings are expected to commence in the originary Ordinary Shares on 2nd December 1993 and in the New Ordinary Shares on eth January 1993.

EW FACT plc ated in Ringland and Wales with rep Proposed Acquisition of Accountancy Tutous Limited Proposed Placing and Open Offer of 8,773,938 New Ordinary Shares of Sp cack at 100p per share

Proposed Introduction to the Official Lie **Interim Results**

1,250,000 Prilinary Shares of 5p sect. 909,062,60 18,181,232 The principal activity of the enlarged group is the provision of accountant training courses for both United Kingdom and overseas students leading training courses for both United Kingdom and oversens students leading to protestional qualifications under the Chartered Association of Certified Accountants and the Chartered Institute of Management Accountants. Copies of listing particulars relating to the Company may be obtained during normal business hours on any weekday (Saturdays and public holklays excepted) up to and including 11th November 1993 from the Company Announcements Orice of the Lundon Stock Exchange, Stock Exchange Tower, Capel Court Entrance, or Bartholonew Lane, London ECEN 1HP (for collection only) and up to and including 23rd November 1993 from:

rd November 1990 trous
Credit Lyamata Laing
S Appold Street
Broadwalk House
London
London
London

WC1V 6/F

BC2M 2RP

DO YOU WANT TO KNOW A SECRET? The LD.S. Gann Seminar will show you how the markets REALLY work. The amazing trading techniques of the legendary W.D. Gann can increase your profits and contain your losses. How? That's the secret. Ring 061 474 0080 to

FUTURELINK The favient, most reliable, cost effective real-time FUTURES, FOREX and NEWS pervices available via FM within London. CALL HYETRON ON



book your FREE place.

WHY PAY MORE FOR LESS? DC QUOTE

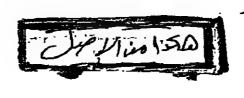
ARTIFICIAL INTELLIGENCE

PUTURES TRADING

"INTELLIGENT TECHNICAL SYSTEMS"
LEADING CONSULTANTS.

LOW COST SHARE DEALING SERVICE 081-944 0111 * ** TAMMERIN LEON LID WINDAM 105

Forex or Futures prices from £49 per month For 30 second apastes on your Windows PC Screen or Pocket Financial Monitor call 0494 444415 QuoteLink from SPRINTEL



Jank

Cost

1.580

\$500,000,000

National Westminster Bank

20,000,000

7%% Exchangeable Capital Securities, Series A

(Principal amount \$25 each)

Exchangeable into 834% Non-Cumulative Dollar Preference Shares

Smith Barney Shearson Inc.

Merrill Lynch & Co.

Donaldson, Lufkin & Jenrette

Goldman, Sachs & Co.

Kidder, Peabody & Co.

Lehman Brothers

Prudential Securities Incorporated

Dean Witter Reynolds Inc.

International Co-Managers

Merrill Lynch International Limited

Salomon Brothers International Limited

Salomon Brothers Inc

Cazenove & Co.

CS First Boston

Lehman Brothers

NatWest Capital Markets Limited

Banco De Negocios Argentaria

Morgan Stanley International Swiss Bank Corporation

Smith Barney Shearson Europe, Ltd.

Bear, Stearns & Co. Inc.

CS First Boston

Alex. Brown & Sons

Dillon, Read & Co. Inc.

A.G. Edwards & Sons, Inc.

Morgan Stanley & Co.

Oppenheimer & Co., Inc.

Robert W. Baird & Co.

Dain Bosworth

Kemper Securities, Inc.

Advest, Inc.

J. C. Bradford & Co.

Cowen & Company

Craigie Incorporated

Crowell, Weedon & Co.

Doft & Co., Inc.

Fahnestock & Co. Inc.

First Albany Corporation

First of Michigan Corporation

Gruntal & Co., Incorporated

Interstate/Johnson Lane

Janney Montgomery Scott Inc.

Legg Mason Wood Walker

McDonald & Company
Securities, Inc.

Morgan Keegan & Company, Inc. Piper Jaffray Inc.

The Ohio Company Rauscher Pierce Refsnes, Inc.

Parker/Hunter Incorporated Raymond James & Associates, Inc.

The Robinson-Humphrey Company, Inc.

Rodman & Renshaw, Inc.

Roney & Co.

Stifel, Nicolaus & Company

Sutro & Co. Incorporated

Tucker Anthony
Incorporated

U.S. Clearing Corp.

Utendahl Capital Partners, L.P.

Wheat First Butcher & Singer



COMPAGNIE FINANCIERE OTTOMANE SA (FORMERLY OTTOMAN BANK)

Issue of New Share Certificates

As announced on 28 May 1993, the Company changed its structure on 26 May 1993, transferred its domicile to Luxembourg and adopted new Statutes, the Company's share capital now being made up of 5,000,000 shares of FF 10 each, fully paid.

The Company gives notice that shareholders can obtain their new shares upon surrender of the existing certificates with talon and coupons from No 121 to No 147 attached on and after 16 November 1993.

In accordance with Article 6 of the Statutes, shareholders are now entitled to hold bearer shares or registered shares. New bearer certificates will be issued for 10. 20, 50 and 100 shares, as follows:

For each £20 share	N	ew FF	10 sha	a/es
(£10 paid)	10	20	50	100
1	1			
. 5	1	2		
10	1	2	1	
25	1	2		2

The minimum transaction in bearer stock will be 10 shares and any transaction for a smaller amount will have to be through the registrars shown below.

In the United Kingdom, for shareholders wishing to retain bearer certificates or have registered stock, exchange forms are available from:

Bardays Bank PLC **BGSS Depository Services** 168 Fenchurch Street, London EC3P 3HP

On behalf of the UK Registrars: **Barclays Registrars**

Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU

For shareholders who wish to have registered stock in Luxembourg, exchange forms are available from:

Banque Paribas Luxembourg SA BP 51, 10A Boulevard Royal, L-2093 Luxembourg



COMPAGNIE FINANCIERE OTTOMANE SA (FORMERLY OTTOMAN BANK)

Issue of New Founders' Share Certificates

The Company gives notice that new Founders' share certificates with talon and coupons attached can be obtained by surrender of the existing certificates complete with the talon and coupons Nos 64-112 attached on and after 16 November 1993.

In the United Kingdom, existing Founders' share certificates complete with talon and coupons as above should be sent for exchange to:

> Barclays Bank PLC **BGSS Depository Service** 168 Fenchurch Street London EC3P 3HP

9 November 1993

(Find out which parts of your organisation are performing best at the touch of a button.)

If you want to find out just where the profit (and loss) is being made in your

It lets you analyse and improve the

profit performance of your organisation's

seminars, call Chris King on 071 351 4399.

COMSHARE

Comshare Lanteed, 22 Chelson Manor Street, London SW3 SRL Telephone 071 351 4399 Facquelle 071 351 1424

U.S. \$250,000,000



Crédit Lyonnais

Subordinated Floating Rate Notes Due August 1997

Interest Rate Interest Period

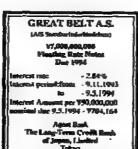
5% per annum

8th November 1993 7th February 1994

Interest Amount per U.S. \$10,000 Note due 7th February 1994

U.S. \$126.39

CS FIRST BOSTON



To the Holders of Symfor Assess 2 (ROSAX)

Pursuant to the indenture dated as of January 10, 1992, between the Parent and State Street Bank and Trust Company, as Trustee, notice to hereby given that for the interest Accrual Period October 15, 1993 through January 17, 1994, the rates applicable to the Secured Senior Floating Rate Notes and Secured Senior Subordinated Floating Rate Notes and 4.725 respectively.

INTERNATIONAL COMPANIES AND FINANCE

Omron bucks trend with Japan set **CSR** boosts investment profits increase of 7% in Taiwan venture

By Midd Talk in Sydney

CSR, the large Australian building materials company, is to invest A\$29m (US\$19m) in a concrete products joint venture in Taiwan, bringing its total investment there to A\$50m.

The Sydney-based group has also signed a "strategic business alliance" with the Taiwances government, aimed at upgrading the technical capa-bilities of Taiwan's building industry and, from CSR's point of view, developing Taiwan as a "base to pursue opportunities in building and construction materials in Asia".

CSR claimed to be the first Australian company to sign such an agreement, although it noted that a number of large US corporations, such as AT&T. General Motors and General Electric, had done so. CSR first established a presence in Taipei last year, "to co-ordinate building materials expansion" in northern Asia.

The joint venture company, CSR Talwan Humes, will be 75 per cent-owned by CSR and 25 per cent by Yung Ming Pre-cast, which makes concrete pipes and pre-cast concrete

It plans to build a concrete products factory in Taiwan, which will come into production by the end of 1994.

CSE said it expected the plant to put perticular empha-sis on producing PVC sheetlined pre-cast concrete pipe and tunnel lining segments, for use in water and sewer

Earnings up 74% at SA glass group

By Philip Gawith

AN IMPRESSIVE performance from offshore arm Belron helped Plate Glass and Shatterprufe industries (PGSI), the glass group in the South African Breweries (SAB) stable, record à 74 per cent increase in earnings per share to 241 cents in the six months to the end of September, compared with 138

cents a year ago.

The better performance was largely attributable to better results from Belron, the automotive glass company.

Domestically, Glass SA's results held steady and PG Bison, the board company, improved on last year's performance. Management said earnings were expected to increase in the second half, but at a much lower" rate than during the first half.

Turnover rose by 17 per cent to R1.58bn (\$46.9m) from R1.35bn and operating profit was 47 per cent higher at R172.5m (R117.2m). Attributable income rose by 115 per cent to R73.4m (R34m). The dividend was increased by 31 per cent to 85 cents from 65 cents a share.

 HIGH financing costs and difficult trading conditions, aggravated by violence and political disruptions, saw Amrel, the clothing, footwear and furniture retailer in the SAB group, record a first-half loss of Râ.4m against a R1.9m

OMRON, the Japanese maker of control components and health equipment, bucked the trend of poorer performances caused by recession with a 7.5 per cent rise in pre-tax profits. Omron's profits increase in the first half of fiscal 1993 to Y2.160m (\$20m) from Y2.01hn a year ago came on higher turn-

over of Y173.8bn, up 2.4 per mut from Time.Son. The company, which makes control equipment for factory

Omron said.

automation, electronic fund transfer systems and electronic

in export sales despite the yen's appreciation. While business in Japan was

negatively affected by the vir-tual freeze on plant and equipment purchases by Japanese manufacturers, this was more than offset by strong exports,

Exports, which make up less than 20 per cent of Omron's 32 per cent in the first half. However, sales in the US were strength of the economic

thermometers, attributed its pick-up in that country. Sales better results to a strong rise to the EC were also up 9 per

sales, were particularly buoy initial forecast of Y33bn for the ant in Asia, which saw a rise of year. It has also implemented a

Omron was not spared the impact of the high yen, which came to about Yl.6bn. However, it was able to combat the efforts in addition to higher sales. The company expects

adverse effect of the currency's strength with cost-cutting capital expenditure, for example to fall by Y4bn from its initial forecast of Y33bn for the programme to cut employee levels by 1,500 through natural also 15 per cent up on the attrition over the next three

Minolta again omits payout

MINOLTA, one of Japan's eading makers of cameras and photocopiers, blamed depressed profits on a decline in consumer and private capttal spending and a strong

Minolta, which has a high export ratio of nearly 80 per cent, reported a 10 per cent decline in sales for the first half of fiscal 1993 to Y89.2bu (\$825m) from Y99.5bn a year

The company made a pre-tax loss of Y1.05hn, which was sig-

first half. However, it is passing its dividend for the third ative term.

It said that despite the introduction of new products its sharp decline in sales of 15 per cent, while its business machinery division saw sales fall back by 7.9 per

Minolta has made efforts to deal with the impact of the higher yen and weak demand through price increases, shortening of the time it

nificantly less than its pre-tax takes to bring products to the loss of Y4.98bn in the previous market and standardisation of parts. It has been cutting back on recruitment and other

> Nevertheless, the company does not expect the main economies of the world to emerge from their gloom easily. Minolta is counting on the to help lift sales but sees little

> prospect of improvement in spending by corporations. loss for the full year of Yibn on sales of Y188bn and will

page its final dividend

Goodman Fielder sells holding

GOODMAN FIELDER, the Sydney-based food and bakeries group, is to sell its remaining stake in Ridley Corporation, Australia's largest commercial stock feed miller, raising approximately A\$60m (US\$40m) in the process. Goodman currently holds around 32.1m ordinary shares

notes - which will be converted into an equivalent number of shares before the sale takes place.

The total holding sold amounts to a 29.7 per cent interest in the stock feed company, which also has large sait

Yesterday, SBC Domingues Barry, which is underwriting the offering at A\$1.03 a share,

said that it expected approxi-mately half the shares to be sold to institutional investors.

The other half will be reserved for priority applications from Goodman Fielder shareholders. Full details of the offering are promised shortly. Like many Australian com-

nies, Goodman Fielder has been pruning back its business recently and concentrating on core operations.

to ease grip on yen bond market

By Emilio Terazono in Tokyo

JAPAN'S ministry of finance is poised to ease its grip on placements of yen-denominated bonds issued overseas as part of its continuing deregulation of the country's financial mar-

Ministry officials said they could come to a decision early next month to allow Eurobonds issued by sovereign borrowers to be placed with domestic investors immedi-

ately after the issuance. In order to protect the country's fledgling straight bond market, the government has tried to keep Eurobonds offshore by prohibiting yen bonds issued overseas from entering the country for the first 90 days of issuance.

However, officials said the the "lock-up" period for Euro-bonds issued by domestic borrowers and corporate overseas borrowers is expected to remain intact for the time

Some securities house officials point out that the eventual lifting of the placement restriction will make little diference to the Euroyen market. Japanese securities houses have found their way around the restrictions by agreeing to "warehouse" Euroyen issues for three months before selling the paper off to Japanese investors at the issuing

The decision to lift the "lock-up" rule for sovereign issuers may accelerate the deterioration of Japan's samurai market, which is currently facing the departure of toprated borrowers.

Issuers like the World Bank and Asian Development Bank have started to avoid the samurai market due to the lack of cost differential between borrowers with low credit ratings and high credit ratings.

INTERNATIONAL COMPANY NEWS IN BRIEF

Singapore Press posts SINGAPORE Press Holdings, the island republic's largest publishing group, has announced pre-tax profits for the year to March 1963 of 17% rise in pre-tax \$\$306.6m (US\$193.9m), a 17 per cent rise on 1992, writes Kleran Cooke in Knala Lumpur. company set up a new plant the higher sales, cost contain-

Group turnover was up 8.8 per cent on the year, from \$9607m in 1992 to \$\$661m in Record year for

SPH publishes most of the leading titles in Singapore, including The Straits Times; the main English language the leading financial daily, and The Sunday Times.

SPH also publishes leading Chinese and Malay language

newspapers in Singapore, plus a variety of popular magazines. Australia boosts NZ fridge-maker

FISHER and Paykel, the New Zealand refrigerator-maker. has announced a 46 per cent profit rise lift to NZ\$10.57m (US\$5.87m) in the six months to September 30, helped by a substantial boost in sales to Australia, writes Terry Hall in

Directors said that while New Zealand sales overall fall by 3 per cent they rose 42 per cent in Australia, where the

NZ publisher WILSON and Horton, publisherof New Zealand's largest circulation paper, The New Zealand

record increase in half-year profits to NZ\$ 19.3m (US\$10.7m), and a tax-free onefor-eight bonus issue. Sales were also a record, up 15.4 per cent to NZ\$176.6m.

Amcoal falls due to weak exports

WEAKER export markets caused earnings at Amooal, the coal arm of the Angio American group, to fall slightly to R121.8m (\$36.16m), from R122.7m previously, in the six months to the end of September 1993, writes Philip Gawith.

Sales rose to 22.85m tonnes from 20.74m in the same period in 1992, due to higher exports and increased sales to the elec-

tricity utility Escom. Despite

ment and a weater rand-dollar exchange rate, a further soften-ing in US dollar export prices caused export profitability to fall. Profits on sales to Escom, however, increased.

Earnings per share before abnormal items fell to 484 cents (487 cents) and the dividend was maintained at 150

Japanese shipping firms' profits fall

JAPAN'S two largest shipping companies, Nippon Yusen Kaisha and Mitsui OSK Lines, blamed their latest profits ieclines on a fall in imports to their economically depress domestic market, writes William Dawkins in Tokyo.

Nippon Yusen's revenue fell by 10 per cent to Y268bn (\$2.47bn), in the six months to September, on which pre-tax profits collapsed by 49 per cent to Y3.61bn. Mitsul OSK's taxable profits fell by 23.8 per cent to Y2.72bn over the same period, on turnover down by 8.2 per cent to Y223bn.

Both shippers also cited as factors currency losses on the translation of their dollar fares and freight charges into apprecisting yen

Food pushes Hunt Leuchars ahead

IMPROVED performances from its sugar and poultry invest-ments helped Hunt Leuchars & Hepburn (HLH), the food and timber company in the Rembrandt group, record a 36 per cent increase in attributable earnings to R32m (\$9.5m), compared with R23.6m a year ago, in the six months to September, writes Philip Gawith.

Earnings per share rose to 21.5 cents (15.8 cents) and the interim dividend was maintained at 13.5 cents.

Yamato up 7.6% at half-way stage

YAMATO Transport, Japan's largest door-to-door parcel delivery service operator. reported parent pre-tax profit for the fiscal first half to Sep-tember 30 7.6 per cent higher at Y8.25bn (\$7,6m) compared with Y7.67bn a year ago, AP-DJ reports from Tokyo. Sales were 3.4 per cent higher at

Notice, for information only, to the Bondholders of SCA CAPITAL CORPORATION B.V.

ECU 101,000,000 41/2 PER CENT, GUARANTEED CONVERTIBLE BONDS (THE "BONDS") GUARANTEED ON A SUBORDINATED BASIS BY, AND CONVERTIBLE INTO NON-RESTRICTED CLASS B SHARES OF, SVENSKA CELLULOSA AKTIEBOLAGET SCA

THE "COMPANY" NOTICE TO BONDHOLDERS In accordance with the Notice to Bondholders published on September 6, 1993 The Board of Directors of Svenska Cellulous Akticholager SCA had decided to increase the Share Capital of the Company through a Rights Issue of Shares with a preferencial right for the shareholders to subscribe for the New Shares. The decision was duly approved by an Extraordic General Meeting of the shareholders of the Company held on Septemb

23, 1993. ion for the New Shares ended on October 27, 1993 and as a result thereof and pursuant to Clause 9(A) (4) of the Trust Deed dated 17th January 1989 constituting the Bonds the Convention Price applicable to the Bonds has been adjunted to SEK 130. The new Conversion Price is sher 1, 1993 but with retroactive effect as from effective as from Nover

Spockholm November 1, 1993

SVENSKA CELLULOSA AKTIEBOLAGET SCA

The Board of Directors



US \$ 150 000 000 Credit Facility

GROUPE SCHNEIDER

SQUARE D COMPANY

- "Arrange CREDIT NATIONAL

BAYERISCHE LANDESBANK

BANK OF MONTREAL BANQUE NATIONALE DE PARIS

BANQUES POPULAIRES CANADIAN IMPERIAL BANK OF COMMERCE (INTERNATIONAL) SA

CAISSE CENTRALE DES

SOCIETE GENERALE

BANQUE FRANÇAISE DU COMMERCE EXTERIEUR

> GROUPE CREDIT AGRICOLE CREDIT LYONNAIS UNION EUROPEENNE DE CIC

BANQUE PARIBAS

UNICREDIT -

NATWEST CAPITAL MARKETS



Sculley unveils expansion strategy for Spectrum

MR JOHN Sculley, the former chairman and chief executive of Apple Computer, who last month joined Spectrum Information Technologies, a small technology development company, yesterday unveiled aggressive expansion plans. Spectrum said its founder and two other executives had resigned, that it would cut

back a loss-making operation and that it has acquired a small engineering group.

Mr Sculley's decision to join Spectrum last month shook the computer industry because the company has a history of losses and legal disputes.

In a lawsuit settlement, Spectrum said it had agreed to pay its shareholders \$1.5m in cash and issue 750,000 warrants to buy stock at prices at or above the current market price. The lawsuit was filed by



shareholders in May when Spectrum's stock price dropped sharply after AT&T challenged the company's claim that a licensing agreement could be worth hundreds of millions of dollars in royalties.

Spectrum admitted no wrongdoing in the settlement and said it was trying to end "disruption of basic operations and to avoid the nuisance and costs of protracted litigation". It said nearly all the cash payment

will be covered by insurance. The company said the resignations of Dana Verrill, its founder and former chairman, John Rule, vice-president of corporate development and Katherine Bachand, in charge of investor relations, were on amicable terms. It announced cuts at its Data One, a mobile communications systems hardware and related ervices subsidiary.

"Our strategy now is to move out of direct hardware sales to end-users and to refocus our communications services investment towards conengineering and consulting services," said Mr

securitisations, which bankers say could constitute a multi-billion dollar market. The Mexican government has awarded concessions on more than 4,000km of toll roads in the past five years, and construction companies are been to off-load debt by

Tribasa

toll road

revenues

TRIBASA, the Mexican

construction company, has sold \$110m of bonds in the

Euromarkets backed by the

revenues from two private toll

roads. It is the first successful

international toll road securi-

tisation by a Mexican com-

The bond offering was over-subscribed, with about 80 per cent of the demand from the

US and the remainder from

Europe. The bonds, of an aver-

age maturity of 8.5 years, were

priced at 10.5 per cent, 500 basis points over US Treasury

The demand for the bonds

angurs well for other Mexican toll road and infrastructure

bills of the same period.

By Damian Fraser

securitises

securitising the roads. The finance ministry is planning to securitise the stateowned Cuernavaca-Mexico City toll road in the international markets in January next year. The securitisation, which had originally been planned for September, may

fetch about \$600m. So far, Mexico's toll road programme has been plagued by the poor performance of many of the roads, with traffic use far below projections and construction costs for above. However, the government and construction companies are working to resolve the problems by agreeing on capital increases for the troubled

Tribesa sought to reassure investors concerned about a devaluation or low traffic by agreeing to extend the life of the toll road bonds to 18 years should US dollar revenues fall short of those forecast.

The two roads securitised were the heavily used Ecatepec-Pirámides road near lar Armeria-Manzanillo on the Pacific Cost.

Gemms come back into fashion Sara Webb looks at the recent turnround in interest in trading gilts

I fashion again, if the latest round of musical chairs is anything to go by. Securities houses are queueing up at the Bank of England for approval to set up as gilt-edged market-makers, or Gemms, lured by the prospect of earn-

ing healthy profits. The recent spate of hirings of gilt traders, sales staff, economists and trading strategists is testimony to the fact that at least two houses have serious intentions of setting up in the near future.

Yamaichi International (Europe), the European arm of the Japanese securities house, is expected to start operating as a Gemm later this month while Merrill Lynch is likely to follow suit soon.

Both have been busy recruiting to complement their existing bond trading operations. Yamaichi hired Mr John Shepperd and Mr Nigel Richardson, two of S.G. Warburg Securities' better-known UK economists. Mr John Battye (Warburg's head of gilt sales), and Mr Jim Goodey (NatWest's head of gilt trading), as well as three gilt traders and three sales staff.

Meanwhile, Merrill Lynch has hired Mr Stephen Rumsey, former chief executive of BZW's bond operations. Mr Lity Islam, BZW's gilt economist, Mr Dominic Franklin, from BZW's Eurosterling operations, Mr John Standeven, a bond analyst at BZW, Mr Tony Gray, Daiwa's short-dated gilt trader, Mr Alex Miller, NatWest's medium-dated gilt trader, and Mr Jeff Derx, NatWest's head

of gilt sales. to £65m, up from £49m in 1991, In addition to Yamaichi and according to the Bank of

Merrill, ABN-Amro of the Netherlands and Chemical GAT-EDGED MARKET MAKERS PRE-TAX PROPITS (LOSSES) Bank are understood to be con-Year-ending December 31 (2m) sidering setting up as Gemms. 1991 1992 The desire for such status marks a turnround in interest 25.67 37.17 in gik trading. Following the 5.99 14.1 3.54 10.64 reorganisation of the gilt market at the time of Big Bang, several houses found they Kielmwort Banson (0.333) 6.28 could not make sufficient 2.93 5.60 Nortura Gitts money and pulled out. These included both Merrill and

Daiwa Europe

S.G.Warburg

Grit-Edged

BT Gäts

JP Morgan

Nikko Gitte

CSFB (Gifts)

ies House.

Sterling Sec. Baring Sterling

Genrard & National

Lehman Brothers

5.347

(91/2) (92/3) (3.732) 2.43

(91/2) (92/3) 1.73 1.291

3.239 1.053

(0.955) 0.171

(1.699) (0.196)

0.157 (4.25)

* Normal year enting Narch 31, 1 Desire year ending March 31,* GS: year ending November 21, * GAN year ending April 5; * Villesury; year ending March 31; * from incorporation in 9 Dec 1991 to March 31, 1993

England. The overall post-tax

return on the Gemms' starting

capital was 15 per cent in 1992,

up from 12.4 per cent the previ-

The table shows the profits

made by the Gemms in 1992

and in some cases, 1992/93 (the

most recent years for which

figures are available), taken

from accounts filed at Compan-

BZW, the UK securities

Hoare Covett, now owned by ABN-Amm. The sudden demand for gilt specialists means firms are having to pay dearly for qualified staff, with market rucaours circulating of sevendigit salaries and three-year guaranteed contracts. Clearly, some Gemms are worried their

best people will be poached by DEFECORBETS. The combination of falling interest rates and high government debt issuance (after a period in which the government was buying back debt and the size of the gilt market had shrunk) provide an ideal scenario for making profits out

of gilt trading. Mr Bob Pearce, head of gilt sales at Salomon Brothers. said: "Since we left the ERM, we've been in a major buil market. We've been belped by favourable financing conditions since the positive shape of the yield curve means there is a lower funding cost for long

positions." Gemms as a group - there are 19 - posted an increase in overall profits in 1992 for the third year in a row. Their combined post-tax profit amounted

for the fourth consecutive year, with pre-tax profits of £37.174m.

It was helped by the diversity of its trading strategies, which helped to spread risk, although rivals point out that BZW's figures include not only gilt trading but also its Eurosterling and Ecu government bond business, whereas some houses only include their gilt operations in the figures

The Eurosterling sector has seen record new issuance this year and several houses are thought to have benefited from this, due to the fact that Eurosterling bonds offer a better margin (in terms of the bid-offer spread), and generate fee income for lead man-

The ranking of Gemms' profits is a matter of much rivalry. "The fundamental thing is you don't have a true league table of profits in this area as the figures are not strictly comparable," complained one Gemm. who preferred to remain anon-

While 1992 has clearly been a good year for most Gemms. many expect 1993 to be as good or even better, due to the continued rally in the gilts market and the prospect of continued new supply. If the immediate future looks rosy, though, some warn that as interest rates bottom out, 1994 could prove a more difficult year for making profits.

"You wonder whether some of these chaps who are coming in now are getting in at the top of the market," scoffed one vethouse, retained its position eran of the gilt market.

All-round gains at Equitable

By Richard Waters in New York

 $\mathcal{M}_{\mathcal{O}_{\mathcal{C}}}$

7.2

1.5

· ALBERT

grounds an

10 d (- Md) 4.

THE EQUITABLE, the US insurer 49 per cent owned by Aza of France, repaid its recent star billing by Wall Street analysts with third-quar-ter results which showed a further all-round improvement in its operating position.

Net income for the three months to end-September rose to \$71.3m. or 32 cents a share fully diluted. A year before, excluding costs of the compa-ny's demutualisation, Equitable sarned net profits of profit margins, which more

LVD, Belgium's biggest

machine tool company, is plan-ning to begin manufacturing in

China to take advantage of

growth prospects in Asia for machines that bend, punch and

The expansion will be one of

ments in Asia by European

By Andrew Backer

cut sheet metal.

232.7m or 18 cents a share. The company's shares, which shortly after its flotation in July 1992 traded at a low of \$7%, jumped yesterday morning by \$1% to \$26%, before set-

tling back to \$26%. The company benefited from a strong performance in both its life insurance and investment services businesses. Posttax profits in insurance rose to \$21.4m from \$17.4m a year earlier, before capital gains and other special items.

The improvement resulted from reduced costs and higher

Belgian tool group looks to China

mplate such a move.

of which are two small to con-

It would also be the first

western or Japanese company

in the machine tools sector to

start mamfacturing in China. LVD's two main rivals, both

larger, are Amada of Japan

The family-owned concern.

of Chinese partners to two,

and Trumpf of Germany.

than offset higher than expected mortality during the

> Capital gains after tax were \$24.3m, compared with a \$15.1m loss a year earlier. Investment services - which includes Donaldson Lufkin &

Jenrette, the stockbroker in which Equitable is expected to float a minority stake, Alliance Capital Management, and Equitable Real Estate Investment Management - saw net income rise to \$56.9m from \$47m. DLJ was the largest contributor to growth, with a 14.9

president. The plant could be in operation by inte next year. Mr Lefebvre said Asia accounted for 35 per cent of LVD's \$90m turnover last year, up from 15 per cent in 1990.

JP Morgan invests in China capital fund

By Tony Walker in Beijing

JP MORGAN, the US investment bank, plans to set up a China fund to invest in Chinese enterprises with emphasis on the energy, talecommunications and food pro-

cessing sectors. Mr Weijian Shan, vice-president of corporate finance, said JP Morgan aimed to mobilise nomic development, and help our foreign clients seek new

investment opportunities at the same time" Mr Shan said the bank would

establish representative offices in Beijing and Shanghai within the next few months to help spearhead its drive into China which is "gripped by a capital

JP Morgan's decision to focus on China investments is part of an accelerating trend are beginning to take developments in the Chinese economy

appears every Friday in the

ese call Wai-Fung Chenny

in London on 071 873 3574

on 212*75*2.4500

more seriously. Mr Shan prenese capital-raising in the dicted Chinese organisations would raise up to \$1.2hn in US capital markets over the next 18 months and that at least half the amount raised would

be in Yankee bonds. About \$400m has been raised in the past year or so by Chinese organisation in the US market

Lingering disputes over munist takeover in 1949 had, until recently, precluded Chi-

 JOHN Cleghorn, president of the Royal Bank of Canada, said the bank may sell commercial property loans and repossessed commercial real

estate to US investment banks

specialising in the field, writes

Robert Gibbens in Montreal. The Royal is making a further C\$750m (US\$570m) provi-COVER DOTEIN on its C\$8bn commercial prop-

machine tool companies, most said Mr. Jean-Plerra Lefebvre. FT GUIDE TO WORLD CURRENCIES

come elsewhere in Asia.

He added that Asia was the

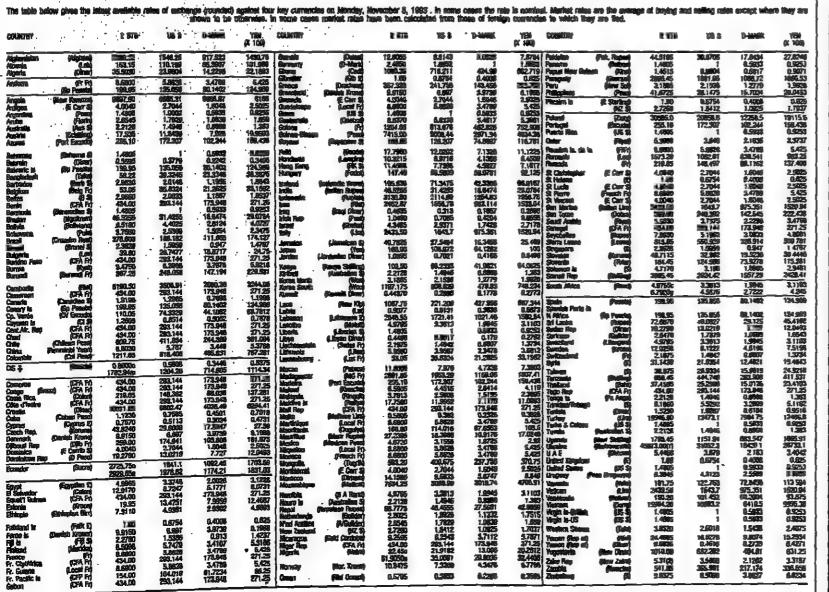
only region where the com-

pany saw substantial growth

over the next few years. China

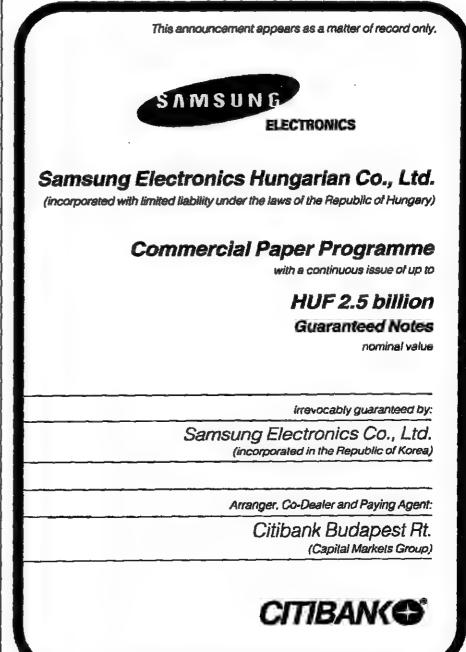
products made there were wei-

was the



Call your nearest JAL office for details.

Fly JAL to Japan whenever it suits you. MILEAGE (40 flights a week from Europe.) JAL 30 most suitable opportunities to earn JMBE credits.





Long bond slips further as mood becomes cautious

By Frank McGurty in New York of the Treas and Tracy Corrigen in London

US BOND prices fell further yesterday but European gov-erument bond markets mainly drifted. Last week's sell-off appeared to be petering out, with European markets uncoupling themselves from the US, but the tone of the market remained uncertain. Last week, selling of US Treasuries fed through into

GOVERNMENT Bonds

European bond markets, as the approach of the year-end encouraged a spate of profittaking, in what for many houses has been a record year

for bond trading. Dealers said the focus is shifting back towards the economic fundamentals of individual markets, but European markets are still vulnerable to weakness in US Treasuries.

THE US long bond lost further ground yesterday morning as traders nervously awaited this week's reports on October inflation. On the short end of the maturity range, prices edged higher ahead

year and 10-year By midday th down % at 100%, rising to 6.221 pe short end of the two-year note wa 99 %, to yield 4. Trading was ligh

big sell-off, the decidedly cautious as yesterday's session opened. On Friday, upbeat data on US employment intensified fears in the Treasury market that the economy was picking up steam after a long period of slow growth.

Bond traders tend to react negatively to indications of expansion out of concern over

Tomorrow's report on producer prices could feed those fears, or at best, hold them. temporarily at bay.

On Wednesday, the negative sentiment is likely to be reinforced by the release of consumer prices figures, which are expected to show a jump of 0.4 per cent largely because of a new tax on petrol.

THE JAPANESE govern-ment bond market, which shrugged off the turmoil in

ury's three- note auctions.		F	r FIXI	10 W		T DEC	HCES		
he benchmark nent bond was		Nov 8	Nov 5	New 4	Nov 3	Hov 2	Year ego	High *	Lon
with the yield er cent. At the market, the as # higher at 141 per cent.	Cort Seco (ER) Fixed Interest Books 100: Gove • for 1993. Gove Proof Interest his	amment S	schigger	ah aince co	Michiganiano Michigania	127.40 (0/ 50.63 (3/1/	5	103,60 125,20 19,15 (3/1	93.21 198.6 /70)
nt.	la9tes"		Her 5	Nov	4	Hor 3	Nov 1	ż	Nov 1
of last week's ne mood was	Git Migod Barr 5-Day average		112.7 95.4	90. 92.		88.1 105.3	87.7 109.7		97.7 112,8

other markets last week, continued to outperform the rest of the market, gaining close to half a point yesterday. Three-month certificates of deposit were issued at a recordlow 2.33 per cent, which helped fuel the rally in the bond mar-

market was particularly firm. ■ THE GILTS market also performed well yesterday, gaining 1/4 point. In fact, sentiment in the gilts market appears to have recovered better than in other European markets. helped by some encouraging

ket. Dealers said the futures

economic data. Yesterday's producer price data showed a 0.2 per cent in output prices and a 1.1 per cent fall in input prices in October, which provided further

 Outpoin
 Date
 Price
 Change
 Yield
 Age
 Ages

 9.500
 08/08
 120,2227
 -0.414
 0.85
 0.42
 0.61
 8.000 - 08/03 118,2000 -0.150 . 7.08 7.10 7.20 8.000 05/03 110.5900 -0.120 . 6.48 6.43 6.51 5.750 11/98 101.2245 +0.043 5.750 10/03 104.5300 -0.010 3.541 B.18 9.00 2.88 2.92 3.51 3.58 assurance that inflationary Hones of a further rate cuit are still intact, but the stronger performance of the short

BENCHMARK GOVERNMENT BONDS

0.04 point at 99.34.

well last week, the German government bond market put in a rather lackhustre perfor-■ MARKETS in both Spain and Italy remained volatile, but dealers said this was due largely to internal political problems rather than outside influences. Spanish bond prices fell more than ¼ point, and Italian bonds lost ground.

> ■ FRENCH bond prices ended the day virtually unchanged in thin volume. Dealers said that

7.23 5.71 - 5.50 6.24 \ 0.000 8,000 04/03 108,9500 -- 0,080 8.66 6.40 6.84 London closing: "denotes New York morning seesion" Yields: Loof immitel stan † Gross acrouel yield (including withholding late at 12.5 per cent psychie by non-residents) Priors: US, UK in "School, others in decimal volume is likely to be low this

week, ahead of Thursday's Armistice Day holiday. The December bond futures contract on the Matif in Paris ended at 123.12, down 0.14 from

Having substantially underperformed the German bund market last week, some dealers yield spread of more than 20 basis nomes represents a buying opportunity.

issues which are close to

Philadelphia merger would consolidate options trading

By Laurie Morse in Chicago

THE unsolicited bid for the Philadelphia Stock Exchange (Phlx) launched by the Chicago Board Options Exchange would consolidate options trading in the US and put the Chicago exchange back into the growing business of foreign currency options

The deal, if successful, would also broaden the largest US option exchange's reach into the regional stock dealing busi-

CBOE members trade options, not stocks, on the exchange's Chicago floor, but the CBOE does a quietly lucrative business clearing stock trades through its regional electronic subsidiary, the Cincinnati Stock Exchange.

The terms of the CBOE's merger proposal, made last week, were not disclosed, but published reports value the offer at \$60m. The Philadelphia exchange has 505 members. The fifth-largest stock exchange in the US, the Phix

has had a record year. Although the bulk of its business is stock and equity options trading, about 10 per

cent of its turnover is foreign currency options. The disarray in the ERM has brought big trades to the Phix, particularly to its French franc and D-Mark

The CBOE briefly traded foreign currency options in the 1980s, but ceded victory to the Phix in 1987, passing its open (accounts to Philadelphia in 2 good-natured surrender. Since then the Phix's foreign exchange dealings have grown

dramatically. Mr Nicholas Giordano, Phix president, said his board would consider the CBOE's proposal. The Phlx rejected a similar takeover bid from the American Stock Exchange in

Mr John Davidson, for seven years the head of the Chicago Mercantile Exchange's clearing house, is to become manager of Morgan Stanley's US derivatives operations on

In his new job he will over-see clearing for Morgan Stanley's on and off exchange derivatives trading, and will maintain a "continuing interest" in the discussions over a clearing house for off-exchange

Canadian borrower's C\$1bn offer dominates issuance

By Antonia Sharpe

A C31bn offering of five-year global bonds from Canada Mortgage and Housing Corp (CMHC) dominated a relatively heavy day of issuance in the international bond market yes-

The offering is designed to establish a benchmark for the government-owned issuer's initiative to lend directly to social housing projects. CMHC plans to raise C\$2bn a year over the next five years in order to refinance existing mortgages. Syndicate managers said that CMHC's bonds were snapped up by investors because of their premium of 15 basis points over the yield on underlying Canadian govern-

ment bonds Around 80 per cent of the issue was placed equally in North America and Europe and the remaining 20 per cent was investors in Asia were particu-

larly keen buyers. When the bonds were freed to trade, the spread tightened to 12% basis

The volume of new Eurobond issues is expected to

INTERNATIONAL Bonds

remain high for the rest of this week. Landesbank Rheinland-Pfalz, the central bank for the savings banks in that German state, is likely to launch a \$500m five-year offering today. The bonds, via Goldman Sachs, are likely to be priced to yield between 20 and 25 basis points

over US Treasuries. Landesbank Rheinland-Pfalz, which has a high double-A rating, has done some small Eurobond deals in the past year but they have been targeted mainly at retail investors. Today's offering is seen as the start of an international borrowing programme.

There is a growing trend among German banks to shift the emphasis of their funding away from the domestic German bond market. For example, Depfa, the German mortgage bank, has been active in the international bond market in recent months and is likely to tap the French franc sector

BAT Industries, the Anglo-American conglomerate. is widely expected to raise \$500m through an offering of 10-year Eurobonds today. The bonds, via CSFB and Goldman Sachs, are likely to be priced to yield around 70 basis points over underlying US Treasuries Among yesterday's other new issues, the FFrilim sev-en-year offering from Electric Power Development Co (EPDC), the rarely-seen Japathat the rarity value of EPDC enabled it to achieve a relatively tight yield spread of 20 basis points over underlying French government bonds. When the bonds were freed to trade the spread remained

pressures were at bay.

mance yesterday.

end of the market last week

was partially reversed yester-

■ AFTER holding its ground

The bund market failed to

benefit from a downward revi-

sion of German M3 data even

though analysts said the posi-

cuts by the Bundesbank more

likely.
The December bund future

on the London International

Financial Futures and Options Exchange ended down

tive data makes further rate

intact. By contrast, Andalucia's bonds remained in syndicate

AUSTRALIAN DOLLARS

overnight to allow time for the

nese government agency, sold more quickly than the FFr1.3bn 10-year deal from Andalucia, the Spenish autonSyndicate managers said bonds to be marketed in the Far East. It was widely der from Andalucia.

Bank, announced that it was buying back up to \$150m of four outstanding Eurobond

redemption. The repurchase thought that last week's programme was designed to enhance value for holders of French franc offering from Catalonia had stolen the thunthe high-coupon bonds since they were trading at a substan-Finance Corporation (IFC), the also allowed the IFC to extend private sector arm of the World the maturity of its debt and to re-finance old, high-coupon debt with cheaper, current-coupon paper.

NEW INTERNATIONAL BOND ISSUES

Servoiner US DOLLARS	Amount III.	Coupen	Price	Meturity	Feet %	Spread isp	Book runner
Tribesa Toll Fload Trust 1(4) Banco Resi	110 80	10,609 8,509	100.00R 99.456R	Dec.2011 Nov.1998	1.625R 1.00A	-	Balaman Brasiless Int. ING/ West Merchant Bank
PRINCH REANCS Consulidad Autonoma Andelsola Bactric Power Development Co	1,3bn 1,1bn	8.25 8,00	97.77R 100.00R	Dec.2003 Dec.2000	0.875R 0.80R) Benque Parities) Banque Parities
CANADIAH DOLLARII Canada Mortgage & Housing	1bn	6.00#	99.825R	Dec,1995	0.275R	+16 (81/24-00	PRIC Dominion Securities
QUILDERS De Nationale investeringsbenk	400	6.75	99.95R	Dec.1999	0.208	+20 (b)	ING Bank

100.64 Dec.1998 Final terms and non-callable unless stated. The yield spread (over releval manager, RS-emi-carrust coupon, Rt fixed re-offer prior; less are shown at the b) Spread is over the interpolated yield curve.

Finnish investment house to market fund in the UK

STRONG foreign interest in Finland's resurgent stock mar-ket has prompted Arctos, one of Finland's five leading investment houses, to market its most recent investment fund to institutions in the UK.

Finland's stock market has almost doubled in value this year on signs that its economy is recovering from virtual collapse two years ago. The aboliownership of shares at the start of this year has also con-tributed to the big improvement in daily turnover. Mr Topi Piela, executive offi-

cer of Arctos Asset Management, said yesterday the open-ended fund offered foreign investors an exposure to high-technology and export-ori-

reas in the Finnish economy. In addition, the fund is the only Finnish investment fund to use derivatives, mainly index and stock options and futures, to protect itself against falls in equity prices and to produce an additional

The fund's hedge against downside risk should attract foreign investors who have been put off Finland's stock market by its high volatility, of around 30 per cent. This compares with between 15 to 20 per cent in other countries.

The Guernsey-registered from domestic investors since its launch at the end of May. However, Mr Piela expects the size of the fund to reach • FM2bn by 1998.

MARKET STATISTICS

STAMMA INTERNATIONAL BOND SERVICE	RESES AND FALLS YESTERDAY	LIFFE EQUITY OPTIONS
Liend are the latest international bonds for which there is an edequate secondary market. Liend are the latest prices at 7:10 peri on November 8 Liend 21 10 period of 2 peri	British Funds	Chille
Ind Bit John Fin 71 87 200 1073 1084 44 8.37 89 America 121, 86 46 100 1125 1135 6.11 Note America 121, 86 46 100 1125		200 200
Section Sect	FIXED INTEREST STOCKS	Land Series
Austria 57, 97	Part Part	CORD 100 5 11 11 12 15 15 15 15
Sentes FRANC STRANDERTS Asian Dev Bank 6 10	465 161 24/17 56/pm 74/pm Stabu 56/pm 66	Comparison Com
150 1031 1034 455 1034 1034 455 1034 103	Last Deslings Nov. 19 Comp., Kwiit-Fit, Morrison (Win.) Last Declarations Feb. 10 Supermarkets, Pittencrieft, Prosport in Comp., Kwiit-Fit, Morrison (Win.) For settlement Feb. 21 Supermarkets, Pittencrieft, Prosport india., Psion, TR Technology, Tiphook, Waverley Mining. FT-SE ACTUARIES INDICES The PTSE 100, FTSE Mid 250 and FT-SE Actuaries TO Indices and the FT-SE Actuaries	Bright Government Section Sect
Seeden \$76.95	The FT-SE 100, FT-SE Mid 250 and FT-SE Actuaries 350 indices and the FT-SE Actuaries industry Dashets are calculated by The international Stock Exchange of the United Kingdom and Regulatio of Ireland Limited, 6 The international Stock Exchange of the United Kingdom and Regulatio of Ireland Limited 1953. All rights nearved. The FT-Actuaries Alf-Simer Index is calculated by The Financial Thiese Limited in conjunction with the institute of Actuaries and the Fraculty of Actuaries. 6 The Financial Times Limited Stock. All rights reserved. The FT-SE 100, FT-SE Mid 250 and FT-SE Actuaries 350 indices, the FT-SE Actuaries Share indices series which are calculated in accordance with a stendard set of ground rules established by The Financial Times Limited and London Stock Surhames in conjunction with the institute of Actuaries and the Fracily of Actuaries. "FT-SE" and "Pacinic" are joint trade marks and actvice marks of the London Stock Surhames and The Emercial Times Limited marks and actvice marks of the London Stock Surhames and The Emercial Times Limited marks and actvice marks of the London Stock Surhames and The Emercial Times Limited marks and actvice marks of the London Stock	Text



ment how

id in the

THE GERMAN PFANDBRIEF

OLID VALUE FROM THE GROUND

When this classic example of German quality workmanship first came off the assembly line in 1945, the Pfandbrief idea in Germany was already 175 years old. Today, Germany's Pfandbrief system is still going strong, accounting for about 40 % of the entire fixed-interest securities market in Germany. This means about DM 832

billion invested in outstanding Pfandbriefe at year-end 1992, of which the nation's 26 private mortgage banks accounted for DM 503 billion. International investors seeking currency diversification have to be impressed with the stability of the D-Mark. And with the time-

tested endurance and safety of Germany's Pfandbrief system. What's more, investors with very low risk tolerance have to like the fact that Pfandbriefe generally provide higher yields than German Treasury bonds (Bunds). Pfand-

briefe in Germany are bonds of a special

kind, issued to refinance mortgages or public projects. What makes them so special are the many requirements stipulated by Germany's Mortgage Bank Act. For instance, Pfandbriefe can only be issued by specially authorized banks which are also fully liable for each issue. They are secured by mortgages or by public-sector loans. They must carry backing of separate funds with at least matching yields and maturities. And all Pfandbriefe are monitored by a trustee designated by the state. The track record for safety? No investor has ever failed to receive $100\,\%$ repayment of a Pfandbrief held to maturity. To find out why some things improve with age, German Pfandbriefe are officially quoted on have a look at Germany's Pfandbrief system.

German stock exchanges. Issuers actively maintain a well-functioning secondary market.

SOME THINGS IMPROVE WITH AGE.

GERMANY'S MORTGAGE BANKS

DEPFA-BANK, WIESBADEN BAYERISCHE VEREINSBANK AG, MÜNCHEN HYPO-BANK, MÜNCHEN DEUTSCHE HYPOTHEKENBANK FRANKFURT AG, FRANKFURT DEUTSCHE GENOSSENSCHAFTS-HYPOTHEKENBANK AG, HAMBURG FRANKFURTER HYPOTHEKENBANK AG, FRANKFURT DEUTSCHE CENTRALBODENKREDIT-AG, KÖLN BAYERISCHE HANDELSBANK AG, MÜNCHEN

WESTHYP, DORTMUND BERLIN HYP, BERLIN SÜDDEUTSCHE BODENCREDITBANK AG, MÜNCHEN MÜNCHENER HYPOTHEKENBANK EG, MÜNCHEN HAMBURGHYP, HAMBURG WURTTEMBERGER HYPO, STUTTGART NÜRNBERGHYP, NÜRNBERG HYPOTHEKENBANK IN ESSEN AG, ESSEN DEUTSCHE HYPOTHEKENBANK (ACT.- GES.), HANNOVER

BRAUNSCHWEIG-HANNOVERSCHE HYPOTHEKENBANK AG, HANNOVER ALLGEMEINE HYPOTHEKEN BANK AG, FRANKFURT RHEINBODEN HYPOTHEKENBANK AG, KÖLN LÜBECKER HYPOTHEKENBANK AG, LÜBECK NORDHYPO BANK, HAMBURG BFG-HYPOTHEKENBANK AG, FRANKFURT WL-BANK, MÜNSTER HYPOTHEKENBANK IN BERLIN AG, BERLIN

Forte dispute poised to resume

THE DISPUTE between Forte and the Savoy group could resume today as the two sides begin discussions over who should take over the leadership of the Savoy's hotels.

Forte is expected to resist strongly any attempt to elevate Mr Giles Shepard, Savoy's managing director, to the chairmanship when the Savoy board meets today. Forte, is also expected to oppose any move to make Mr John Kemp-Welch, joint senior partner at Cazenove, the chairman.

Mr Rocco Forte, Forte's chairman, and Mr Donald Main, the group's finance director, both sit on the Savoy board. An acrimonious 1980s takeover battle left Forte with a majority of Savoy shares but Both Forte and Savoy refused

Sir Anthony Tuke, Savoy's current chairman, is expected to retire in May next year. Both sides regard him as having been even-handed. Forte is thought to oppose the appointment of Mr Shepard or Mr be closer in their candidate to



Giles Shepard, Savoy's managing director: Forte is expected to resist strongly any attempt to elevate him to the chairmanship

Kemp-Welch on the grounds that they have been too closely associated with Savoy. Forte's favoured candidate is thought to be Sir Michael Richardson, chairman of brokers Smith New Court. The two sides are believed to

Mr Willi Bauer, chief executive of the Wentworth golf and country club group. Mr Bauer, former general manager of the Savoy, held talks with Forte during the summer about becoming the head of the Forte Exclusive

portfolio of hotels, which includes the Hyde Park in Lon-dan, the George V in Paris and the Ritz in Madrid.

Mr Bauer said he decided not to take the Forte job because it would have required too much forgien travel

Running the Savoy group. whose hotels also include Claridge's and the Connaught. would involve less foreign travel than the Forte job. Although Mr Forte and Mr Bauer clashed strongly during Forte's bid for the Savoy, their recent discussions are said to have been amicable. Mr Bauer was unavailable

for comment. He is believed, however, to have been approached by the Savoy. He dined at Claridge's with Mr Shepard last Sunday night. Under an agreement betwee the two parties, Forte has said it will give 12 months notice of

its intention to bid for Savoy. The right to give notice began at the beginning of this month. As it is a rolling 12 month period, it will be diffi-cult for Forte to activate, as giving notice would probably result in an increase in the

Angry Ferranti holders form group

By Paul Taylor

DISGRUNTLED Ferranti shareholders. concerned about GEC's proposed to a share bid for the troubled defence electronics group, plan to form a shareholders' association to obtain independent professional advice on the offer and to represent

The association is being formed by Mr John Katz an investment consultant who has emerged as a focal point for Ferranti shareholder discontent, together with was looking at the proposed GEC offer for certain shareholders, I have been besieged by shareholders wanting to be part of a ncerted group," Mr Katz said. More than 400 shareholders, representing about 20m shares, had contacted him so far.

Mr Katz, who runs the investment search consultancy John Katz & Associates, said yesterday that the planned Ferranti shareholders' association would have a number of objectives including obtaining all necessary information on the merits of GEC's £10.1m offer.

dent values for Ferranti's fixed and intangible assets, including its £172m order book, putting a value of the group's operating subsidiaries and obtaining comme cial valuations for other intangible assets including the group's unutilised tax losses. The association would also deal with the Ferranti directors and their advisers as a oup representing a significant stake in

the commany "with a view to coming into an active negotiating position to achieve a 'stay in' position with a chance of recovery for all or part of members holdings."

Wardle Storeys declines to £8.04m

By Catharina Milates

WARDLE Storeys, the plastics and safety equipment company which has more than £30m cash, showed full year pre-tax profits down, mainly because of lower interest earnings and an accounting change.
The company had flagged

difficult conditions in its last report and accounts, but shares fell 17p to close at 431p. The company said interest rates are likely to fall further, while trading conditions in the UK showed no sign of recovery and continental European mar-

kets were in "disarray". Pre-tax profits fell from 29.81m to 28.04m in the year to (250.6m). Under FRS 3, Wardle re-classified a £563,000 extraordinary gain as an exceptional. which raised the comparative

Mr Brian Taylor, chief executive, said: "We have been trying like hell to make an acquisition. No-one, least of all me because I own 13 per cent of the company, is maware that we ought to transfer that cash into operational assets. "It is easy to make an acqui-sition but difficult to make a

good one.'

Mr Taylor said profits over the past three years had been a function of introducing new products as much as efficiency

measures. Cost cutting could not go on indefinitely but he said the company had proven its ability to increase the yield from raw materials and to make all kinds of economies on a continuing basis. Operating profits slipped to

fell slightly with interest income down at £2.21m Earnings per ahere dropped to 21.7p (25p) and the board is

recommending a final dividend of 12.25p (12p) giving a total for the year of 17.25p (18p). Wardle's reliably good yield

le's early warnings. The fig-ures include the benefit of a roughly 10 per cent drop in the 25.84m (£5.93m) and net cash price of PVC, a significant raw material for the company's largest division, technical prod-ucts. This drop reversed in October. Meanwhile both the City and the company know the key is putting the compa-ny's cash to better use by acquisition. On forecast pre-tax profits of 28.5m earnings rise to 23.1p giving a multiple of 20 times which is unlikely to find

for its shares. However, the market is unhappy about con-tinuing poor trading conditions

and disappointed by these

results notwithstanding Ward-

should provide some support many buyers.

Spring Ram transactions | Swiss to get Celltech stake

THE TAKEOVER Panel islikely to give a rap on the knuckies to Mitchell Hutchins Asset Management, a US investment adviser which yesterday belatedly disclosed 24 transactions in the shares of Spring Ram, the UK kitchens and bathrooms group. The transactions dated from

late August to mid-October, and all should have been

declared within 48 hours under rule 8 of the UK Takeover Code. Spring Ram was in bld talks until the end of last month with Masco Corpora-

Mitchell Hutchins' stake in Spring Ram peaked at 1.74 per cent in mid-September and stood at just over 1 per cent after its most recent disposal, on October 13.

tion, the US building products

firm, but these have now

By Richard Gourley

finder prospectus yesterday, plans to reserve a fifth of the shares for sale in Switzerland. The Slough-based company, which is a leader in genetic engineering of antibodies, has contracts to manufacture a series of monoclonal antibodies for Roche, the Swiss drugs

The administrators of British & Commonwealth, which currently hold over 36 per cent of the shares, will end up with a less than 10 per cent stake after selling in the flotation.

between £30m and £15m for the CELLTECH, the bio-technology company's existing drug devel-

company that issued a path-

The flotation will raise opment programme, and will value Celltech at about £180m. The shares will be priced on November 25 and the offer closes on December 2.

to £338m ALTHOUGH profits from Associated British Foods, the

help ABF

One-off

factors

Kingsmill bread, Ryvita and Burton biscuits, and Silver Spoon sugar group, were sig-mificantly above market expectations, much of the 26.6 per cent rise in pre-tax profits to tors and higher investment

The period covered 53 weeks, with the extra week dding about £5m to pre-tax profits. Translation effects dded £9m to profits.

Operating profits were only 1.5 per cent higher at 2273m. Within that, trading profits from the British Sugar beet business rose from £139m to £162m thanks to a record harvest in 1992-93, the revalua-tion of the green pound and greater efficiencies. This year's harvest was lower but still good, Mr Garry Weston,

Europe, including British Sugar, were £200m, up from £191m.

were down from £45m to £34m, but this included a £10m fall to £13m in the first half. Mr Weston said price cut-ting in the first half had eased in the second and ABF had recovered market share. Profits from Australia and

New Zealand were up 16.1 per cent to £36m mainly through translation gains. North America, largely Twinings tes, contributed £3m, a £1m rise.

the shares in 1992 and £160m o 1991.

Earnings rose 37 per cent to 50.7p. A second interim divi-dend of 6.5p (6.5p) makes a 15p

Storm placing

National Australia Bank to develop UK insurance

NATIONAL AUSTRALIA Bank is seeking to build up a life and pensions operation in the UK, and is considering acquisitions, joint ventures or the creation of a new life company.

which owns the Yorkshire. Clydesdale, Northern and National Irish banks in the UK team of senior executives to develop the insurance activides of these four subsidiaries. NAB's chief financial officer, who recently relocated to the UK. NAB has also recruited

Pinder, formerly marketing director at Prudential Life and Pensions, Mr Jonathan Ras-

eigh, who was finance and

chairman, said. Total manufacturing operating profits from the UK and

Retail profits, mainly the Irish supermarket business,

Pre-tax profits also included investment income of £88m (£67m) less interest of £34m (£41m). The group's net cash holdings rose from £409m in the 1962 halance short to over £500m. There was a £4m (£2m) profit on property sales.

ARV recorded a \$13m rise in

the value of its 18.8 per cent stake in Berisford International, after losing £22m on

(14p) total.

Storm Group, the USM-quoted animation, licencing and mer-chandising concern, is placing 3.75m ordinary 1p shares, or 4.97 per cent of its equity, for cash at 17p each, to raise some erza 000.

Dealings are expected to begin on November 15.

operations director at Legal & geographical areas and, possi-

By Nikki Talt in Sydney

The Melbourne based bank

and Ireland — has appointed a This will be headed by Mr Windeler, currently three British insurance industry executives - Mr Michael

General Investment Manage-ment, and Mr Richard Field, from the TSB Group.

Mr Windeler made clear that, aside from expanding existing independent financial adviser" operations, NAB is considering a range of ways in which to build up the UK insurance business. These could include acquisitions, a life company "start-up", or joint venture arrangements.

NAB is seen as one of the strongest of Australia's banks, and analysts note that there has been emphasis recently on "cross-selling" - not only within traditional banking products, but also including insprance and superannuation.

There has also been speculation that the company would hit the acquisition trail, looking both within its existing

bly, the US. The planned move into the UK life insurance and pensions industry comes at a time when over-capacity is widely recognised as a problem in the Brit-ish life industry, and the regular latory regime for companies is expected to become tougher in

the immediate future. But Mr Michael Wadsworth, partner in the insurance practice at consulting actuaries R Watson and Co, said that the prospect of a shake-out in the industry would not dismay newcomers confident they had a competitive advantage which would enable them to continue, and perhaps even to ben-efit from the inability of other offices to survive. "Banks and building societies appear to have the potential to sell long-term products to custom C. ers at lower cost," he said.

ShareLink surges to £3.7m amid high market activity

Profits were inflated by \$1.47m earned from handling

part of the government sale of

BT shares, but there was also a

46 per cent increase over the

of personal share dealings han-

dled by ShareLink, Turnover

rose to £11.25m from £8.04m in

In the normal course of

the comparable half

SHARELINK Investment Services, the telephone based stockbroker, more than quadrupled its interim profits as stock market activity reached exceptionally high levels.
In its first figures since coming to the market last July,

ShareLink announced that in the six months to September 80, it had pre-tax profits of £3.68m compared with £785,000 for the same period of 1992. This translated into earnings per share of 16.07p against 3.73p, and permitted the pay-

ment of a maiden interim dividend of 3p, 20 per cent more than predicted in the listing

But, this financial year,

events ShareLink earns the greater part of its profits in the second half, reflecting the faster tempo of share dealings as the financial year nears its

warned Mr Richard Fielding, the chairman, "the normal dis-

tribution of profits between the first and second halves is likely to be affected by the abnormally high level of dealing activity during the sum-

mer". Sharelink has been widen ing its client base and introducing new products so that it now consistently handles some 10 per cent of all stock exchange transactions.
It is this enlarging business

manifest in the 143 per cent rise in first half profits after stripping out the effects of the BT privatisation, that led Mr Fielding to estimate that there are "good prospects for further

Profits warning slices 155p off Bespak share price

By Catherine Milton

FOR THE third time this year difficulties in the US health market have sent abares in Bespak, the healthcare manufacturing group, tumbling.

They dropped 165p in early trading yesterday before recovering 10p to close at 318p.

The company said that recent amounteements by its largest US customer, US Surgical, had prompted the board to warn that group profits for the first six months to October would be half the comparative figure of £5.01m.

Bespak said a decrease in business with US Surgical which accounts for about a quarter of the company's sales, together with uncertainties among other bealthcare customers, meant that roughly 25m for the year from 213.5m having males in dollar terms were lower than in the first already shaved about 21m off earlier predichalf in the previous period.

The company said its cost base had been built up in anticipation of increased activity. US Surgical has 85 per cent of the market for laparoscopic devices for use in keyhole surgery.

Mr Bob King, chairman and chief executive, said: "The board is totally confident that its overall strategy is right. We had to be bigger in "There is a one-off situation relating to our major customer in the states which is reducing stocks considerably. This comes at a time when

one or two other people, in response to the Clinton healthcare reforms, are also de-stock-Analysts cut pre-tax profit forecasts to roughly 25m for the year from £13.5m having

Light trading in two new Lloyd's trusts

By Richard Lappur

SHARES in two of the new Lloyd's investment trusts began trading yesterday. Hiscox Select Insurance Fund immediately moved to a 10p premium compared to net asset value with the

shares closing at 110p. Hiscox has raised some £30m.

in capital. The larger HCG Lloyd's Investment Trust, launched late last month, closed ip up at 101p. Trading was relatively light with 765,000 shares in Hiscox

and 112,000 shares in HCG said one specialist. changing hands. Analysts suggest investor interest in listed shares will be restricted until all the trusts have come to the market. "They are coming thick and fast at the moment Interest will be limited until they are all fully traded,"

Ten trusts have now raised more than £600m in equity capital to support underwriting at the Lloyd's market. Two of the largest schemes, London Insurance Market Investment Trust and CLM Insurance Fund were



First International Group Companies Hubert Shipping Limited Horatio Shipping Limited

U.S. \$63,900,000

Newbuilding Product Tankers Pre-Delivery and Post-Delivery Finance

Commerzbank AG DNI Inter Asset Bank N.V. De Nationale Investeringsbank N.V. **ING Bank**

Commerzbank AG, London Branch

First International Leasing Corporation

Arranged by

Structured hedge provided by

DNI Inter Asset Bank N.V.

Provided by

Profits of Adam & Harvey, the steel stockholding group, rose from a depressed £2.49m to 20.16 20.10 20.10 20.10 20.20

The Final In Nation 1 To See 1

Clean break for Owners Abroad

OWNERS ABROAD, the holiday company that narrowly escaped being taken over early this year by rival Air-tours, has made a clean break from the advisers and brokers who led the defence. Mr Michael Julien, Owners

new chairman since August, has replaced Samuel Montagu with Lazard Brothers as advisers and UBS Phillips & Drew with SG Warburg as brokers. Adam & Harvey

£2.55m pre-tax for the half year ended September 30. Turnover improved from £20.23m to £21.32m. Earnings per share rose by 4.5p to 34.5p and the interim dividend is being lifted by 1p to 6p.

British Empire Trust British Empire Securities and General Trust saw a 53 per

cent increase in net asset value over the year ended September 80, up from 60.47p to 92.82p basic. Fully diluted, the figure rose from 60.43p to 89.83p. Net income after tax ross from £1.29m to £1.55m, with earnings per share coming out ahead at 1.17p (0.98p). An increased final of 0.88p

a total of 0.93p (0.89p). Bula Resources

Bula Resources, the Irish exploration company, suffered a pre-tax loss of IE1.39m (£1.32m) for the first half of 1993, after charging an exceptional item of E1.14m arising on the disposal of its UK operations. This compared with a I£33,000 profit last time. Turnover from continuing operations was I£581,000

(£618,000) and the operating

loss came to I£174,000 (I£55,000

profit). Losses per share were 0.211p (0.006p). Automagic

Automagic Holdings, the USM-quoted shoe repairing and key cutting retail chain, continued its recovery in the second half, ending the year with a pre-tax profit after exceptionals of £122,000.

DIVIDENDS ANNOUNCED Total lest year Total ponding payment payment year Aft Foods . 6.5‡ 6 0.68 15 Adam & Harvey British Empire 0.93 1.7† 1.7 2.25 12 17.25

Dividends shown pence per share not except where otherwise stated. †On increased capital. §USM-stock. †Second Interim in Beu of final.

NEWS DIGEST The outcome for the 12 months to June 26 compared with a loss of £1.28m last time and with a profit of £76,000 at

the interim stage. It was struck on turnover down slightly at £11.5m (£11.8m). Earnings per share came out at 2p (20.1p losses). No divi-dends have been paid since May 1991. The shares closed up

(0.64p) is recommended, to give 20 at 15p.

> Estates & Agency With income static and no year's figure. Estates & Agency Holdings, which owns property investments in the UK, saw pre-tax profits for the year to June 30 slide from £1.11m to

> £708,000. Operating profit was down from £787,000 to £708,000 and there were no exceptionals this year (£324,000). Income was \$5.06m (£5.05m). Earnings per share came out at 9.64p - a 7.33p decline of which 5.4p relates to the exceptional income taken in 1992.

> The delayed sale of the site at Marsh Mills in Plymouth has now been completed and the directors can therefore recommend a final dividend for both 1992 and 1993, of 2p and 7p respectively. With the addition of the interim of 0.5p (1992 2.5p and 0.5p) this makes an increased total for the year of

Banner Homes

Improved margins, lower borrowings and reduced interest rates enabled Banner Homes, the USM-traded construction and property group, to achieve to £557,000 pre-tax for the half year to September 30.

If targets are met for the full year the directors would expect recommend the payment of a dividend for the first time.

both launched last week.

since 1990. First half turnover immoved from £3.37m to £3.9m. Interest charges were cut to £390,000 (£663,000) and earnings worked through at 4.40 (nil),

Standard Chartered Standard Chartered is to convene an extraordinary general meeting, at which shareholders will be asked to amend the articles of association and per-

mit directors to issue up to

£300m of sterling preference shares. A circular will be issued today and the EGM will be held on December 8. The company also plans a simultaneous secondary listing of its shares in Hong Kong and Singapore, possibly within the next six months. This will either involve a listing of cur-

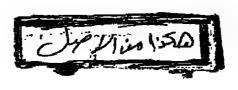
rent shares or a share offer to

Bowater

Rexham, the US subsidiary of Bowater, the packaging, print-ing and coated products group, has sold its Custom Papers Group for \$22m (£14.5m) cash including cash retained by Rexham - to an investment group which includes the senior management of Custom Papers. The buyer has also assumed long-term liabilities of

Custom Papers has sales of about \$90m a year and at December 27 1992 has net assets of \$13m.

Bowater acquired Custom Papers as part of its Speciality Coatings purchase in March.



What do these companies have in common?

o £3.7

Hitachi, Ltd.

Hitachi, Ltd.

Hie Nikko Securities Co., Ltd.

Hioneer Electronic Corporation

Shiseido Co., Ltd.

The Bank of Tokyo, Ltd.

Toray Industries, Inc.

They are all members of the FT Japan Club. If you wish to receive the annual reports of these companies, please ring +44-81-643 7181 or fax +44-81-770 3822.

FT JAPAN CLUB ANNUAL REPORT SERVICE

Ward Thomas takes the helm at Yorkshire TV

By Raymond Speddy

MR WARD THOMAS, who started Yorkshire Television and put it together with Tyne Tees until the old independent Broadcasting Authority split the two asunder in 1982, was back again in the chairman's

chair at Leeds yesterday. Mr Thomas had lunch with Mr Clive Leach, the outgoing chairman and chief executive whose resignation he sought over the weekend. As Mr Leach left after more than 20 Thomas assured staff that Yorkshire-Tyne Tees had suffered "a bad hiccup, but it is no more than a bad hiccup."

The dimension of the "hicup" resulting from overselling of advertising time is certainly around £9m, something that ill push the Yorkshire group into a pre-tax loss for the year to September 1992. The loss is likely to be less than £5m.

A financial settlement has already been reached with Mr Leach, who was on a threeyear rolling contract, although the settlement, it is believed, was aimed mainly at protecting Mr Leach's pension rights.

on whether Yorkshire will seek a new chief executive.

It is possible that Mr Ward Thomas, who has moved from his home in the south of France to the UK because of his growing involvement with the ITV group, may continue with Mr John Fairlie, managing director of Yorkshire, and Mr John Fairlie, managing director of Type Tees.

As Mr Thomas embarks on the task of trying to reverse the decline in the Yorkshire-Tyne Tees share of ITV advertising - now down below 10.5 per cent - there were growing rumours in ITV that Yorkshire was not the only ITV company

Mr Kenneth Miles, director of the incorporated Society of British Advertisers, said yes-terday: "It's not just Yorkshire, there are certainly others doing the same thing but Yorkshire was doing it in spades."

Mr Miles added: "It matters to the extent that somebody is losing money and it can't only be the television station."

price. This is dependent on an individual company's share of advertising revenue and view-

When advertising is sold on too optimistic a station average price, advertisers get a discount, usually in the form of further advertising slots. At extreme levels, companies run out of airtime in which to fit the discounted advertising, and the problem is rolled up from month to month - until, as in Yorkshire's case, the music stops. Industry gossip suggests that both Granada and Carlton are both a little "overdealt". Granada said last night: "We

are not overtrading. We are trading in our normal way." Mr Tim Wootton, managing director of TSMS, the advertis ing sales house which sells airtime for Central, Anglia and Ulster, said yesterday that "in the end it is necessary to have fewer ITV companies and fewer and more equitably bal-

That, Mr Wootton believes, is the only way to solve the probiem and also the only way "you will get ITV to punch its



Clive Leach: leaving after more than 20 years with the con

Telspec set for London listing

their advertising through deals

TELSPEC, a fast growing manufacturer of sophisticated electronic telecommunications equipment, plans to come to market next month through a placing and intermediaries offer likely to value the company at more than £40m.

The group, founded in 1975 by Mr Frank Hackett-Jones, an Australian electronics engineer with broad international experience, manufactures equipment which helps telephone operators improve the efficiency of their networks and reduces the cost of installing or expanding local telephone service.

Mr Hackett-Jones, Telspec's chairman, is expected to sell about 35 per cent of his personal stake in the group as part of the flotation, which he says is designed principally to lift the group's profile and provide it with "a sound financial base for future

However the flotation will also be used to raise new funds for the company. Mr Garth Riley, Telspec's chief executive. says the new funds will be used to expand Telspec's oversees marketing operations.

of opportunities," he said.
The group, which spends about 10 per cent of its turnover on research and development, has manufacturing operations in Rochester, Kent and near Melbourne in Australia and employs about 240 people. It is also considering setting up joint-venture manufacturing operations in South East Asia to address emerging markets including China.

The group has grown rapidly in recent years, buoyed by the wave of telecommunications privatisations and market liberalisation. In the year to December 31 the group posted pre-tax profits of about 23.4m. on turnover of £18m.

Its main customers include BT, Telecom Australia, Cable & Wireless and Deutsche Bundespost Telekom and it supplies a rap-idly growing segment of the telecommuni-cations market in Europe and elsewhere. In the developed world many PTT monopolies have recently invested heavily

to digital technology in preparation for new competition. However, telecommunications network December.

in converting their main "trunk" networks

operators are reluctant to invest in the "local loop" - the part of the network which connects local subscribers to the telephone exchange - because of the long payback time.

For example, BT estimates that the existing local loop is used about 4 minutes each day and that it cost £1,500 to connect one new subscriber.

Most of Telspec's products are simed at improving the capacity or usage of exist-ing local telephone lines, traditionally ed on a "twisted pair" of copper cables or, in the case of new installations, reducing the cost.

The group's products include "pair eain" quipment, which enables more than one call to be carried on a single line, "line concentrators", which allow a large group of subscribers to share small group tele-phone lines, and line amplifiers and extenders which enable calls to be carried over longer distances.

Credit Lyonnais Laing, financial advisers for the issue, are expected to issue Telspec's pathlinder prospectus later this month with dealings set to begin in early

EW Fact makes £11m acquisition

EW Fact, the USM-quoted

A full market listing has been

but, although the acquisition price had been sattled, not all the documentation had been

Mr Tanna said that Fact and ATL were in the same market but had different customer bases. Further, Fact is repre sented in north and central London, Manchester and Leeds, while ATL has a pres-ence in south London, South-

be satisfied by the issue of 9.9m new ordinary shares at The loan notes are to be allotted to Mr Dhauraj Gidwaney. the founder of ATL, as are 990,000 of the ordinary shares, which he cannot dispose of for two years. Another 987,000 of the ordinaries will go to seven of ATL's shareholders and cannot be disposed of until April

international healthcare group, closed at SKr121.5 as conditional trading started in London yesterday.

ket capitalisation of SKr2.3bn (£189m). Arjo, which is raising SKr1.43bn before expenses, has applied to be listed on both the

London and Swedish stock It expects the listings to become effective and uncondi-

operating profits would have been SKr175.2m on turnover of

\$133,000 reported at the haif-

mes in the first year. He said the combined busi-

nesses should sell 650 to 700 homes this year, equivalent to months. During the first six months of this year, without the benefit of Galliford, sales to £520,000 during the six, the benefit of Galliford, sales months to the end of had risen by only 11 from 164

Reduced interest charge

"We are delighted with the Galliford purchase which will increase the number of sales outlets and enable us to take full advantage of our existing land holdings," Mr Roydon

under pressure following house price falls when sterling left . He added that the group currently held 6,200 plots available for development at an average cost of just £10,700. Sales of House prices have since sta-bilised and Prowting expects 1,000 homes a year would still margins to improve further as leave the group with a six-year sales incentives and volume Mr Roydon said that after

slowing in September, house sales had accelerated in Octosales of houses increase. ----Mr Terry Roydon, chief executive, said that the acquisition of Galliford would have a postber. He appealed to the Chan-cellor to do nothing in the Bud-

lifts Prowting to £0.5m get to upset the fragile return-ing confidence of prospective

house buyers.
The positive cash flow from housebuilding had enabled the group to reduce net borrowings from £20.1m to £6m at the end of August. Following the purchase of Galliford net debt had risen to £30.8m, equivalent to 44 per cent of shareholders' funds of the merged busi-

The interim dividend is being maintained at 1.7p from earnings of 0.3p (losses 0.3p)

For the full year analysts are expecting the group to make profits of £3.5m to £4m compared with a previous deficit of £4.93m. The return to the black would provide sufficient earnings to cover a forecast maintained final dividend of

Prowting shares, of which the Prowting family holds 61 per, slipped 3p to 145p yester-day.

Arjo shares advance to SKr121.5 as conditional trading gets underway

By David Blackwell

SHARES IN Arjo, the Swedish

PRE-TAX profits of Prowting, the Middlesex-based house-

acquired Galliford Homes for

\$22.6m, jumped from £120,000

The first half improvement

was due mainly to reduced

interest payments which fell

Operating profits by compar-

ison declined from £2.5m to

£1.5m as gross margins came

the exchange rate mechanism.

from £2.4m to £1.01m.

The shares were priced last week at SKr112, giving a mar-

tional dealings to begin next The group intends to use the money to reduce its net borrowings of SKr1.43bn, Last month it forecast a pre-tax loss of SKr140.9m for the year endmated that without the debt

2.05m were placed with Warburg, Pincus Investors and 310,000 were placed with Ario employees and Swedish retail

The remainder were placed with international institutions. 40 per cent in the UK, 20 per cent in the US and 40 per cent, including a large slice to Sweden, in Europe. Demand was roughly equal to allocation. After the offering Arjo's leading shareholder will be Warburg, Pincus with 23.3 per cent. CWB Capital Partners will hold 11.5 per cent and the manage-

ment 23 per cent.
Arjo claims to be the world leader to hygiene and lifting systems for elderly and disa-bled patients, with customers in 40 countries. Half the manufacturing is in Sweden, 25 per cent in the UK and 15 per cent in the US. Arjo was the aubject of a

everaged buy-out in 1990 from

Govett Emerging to double via £30m issue

By Philip Coggan,

investment trust specialising in shares quoted on the stock markets of developing countries, is planning to more than double its size via a 230m issue of "C" shares.

The trust was only launche in July, when the issue raised £25m. Net assets per share have risen by 23.5 per cent since launch, according to

Govett.
A number of emerging mar kets funds have either been launched, or have expanded their capital, over the last two

The directors pointed out that the use of "C" shares is now common for investment trusts which want to expand their capital.

The "C" shares will be con-verted into ordinary shares only after the bulk of the new

WHERE TO WATCH

MONDAY

- 06:30 European Business Today†
- 07:15 European Business Today†
- 12:30 FT Reports†
- 22:30 European Business Today†

TUESDAY

- 06:30 European Business Today†
- 07:15 European Business Today†
- 07:45 FT Reports*
- 12:30 West of Moscow† Changing Fortunes... A survey of the volatile currencies of Eastern Europe.
- 13:15 FT Reports*
- 15:45 FT Reports*
- 18:45 FT Reports* 22:30 European Business Today†
- 23:45 FT Reports*

WEDNESDAY ----

- 06:30 European Business Today† 07:15 European Business Today†
- 12:30 FT Reports†
- 22:30 European Business Today†

THURSDAY 06:30 European Business Today†

- 07:45 West of Moscow*
- 07:15 European Business Today† 12:30 West of Moscow†
- 13:15 West of Moscow*
- West of Moscow* 15:45
- 18:45 FT Reports* 21:30 FT Reports†

A New South Africa? We talk to Sun International founder and financier Sol Kerzner.

Also featuring:



22:30 European Business Today†

FRIDAY

- 06:30 European Business Today†
- 07:15 European Business Today†
- 12:30 FT Reports†
- 22:30 European Business Today†

SATURDAY ----

03:30 West of Moscowe

SUNDAY

17:30 FT Reports

22:30 FT Reports † 04:30 FT Reports •

(If viewing in the UK deduct one hour.) KEY • Sky News † Super Channel * Euronews

FINANCIAL TIMES TELEVISION EDITORIAL Tel: +44-81-614-2800 Fax: +44-81-614-2571

INDEPENDENT TELEVISION SALES INTERNATIONAL

ADVERTISING Tel: +44-71-873-4281 Fax: +44-71-873-3928

accountancy training group with a market capitalisation of ost £7.82m, is to pay £11m for Accountancy Tutors Limited_ Mr Suresh Tanna, Fact managing director, said that at his company's suspended share price of 104p the enlarged company would have a market capitalisation of about £18m.

The company was to have announced the merger last week with its interim results,

empton and Dublin.
The £11m consideration is to 21 and of 21.1m of loan notes.

Qualifying shareholders can apply for the 8.77m placing shares in the open offer on a

HOLMES PROTECTION, this way stage.

US security group which is gir Ian MacGregor, chairquoted in the UK, got back on man, said the company's perexisting short-term borrowings quarter, reporting a pre-tax profit of \$239,000 (£158,000) for the nine months to end-Sep-

Though well below the Turnover for the nine months slipped from \$42.1m to \$40.4m. Barnings came out at \$4.76m achieved in the corresponding period last year, when profits were boosted by exceptional items totalling \$2.99m, the outcome at the period end represents an encouraging advance on the

man, said the company's per-formance in the third quarter. showed an improvement over the second quarter, and reflected the initial steps taken to reduce expense

Better third quarter for Holmes

0.2 cents (48.5 cents). The company has negotiated an expanded credit facility with its bankers in the form of

a \$9m five-year term loan and

while still below expectations, and provide working capital. Since the period and Holms had reached agreement for the

acquisition of two subscriber monitoring contracts and cer-tain related assets providing some \$1.6m of annual recurring revenue. The consideration - subject to the performance of the assets - is \$3.75m net of costs. This sum has been drawn from the new credit

4

i (



Le Groupe Vidéotron Itée

NOTICE OF REDEMPTION To the holders of the 7%% Convertible

Debentures due March 31, 2002 NOTICE IS HERBRY GIVEN that, pursuant to the provisions of the Trust Deed dated March 31, 1887 between Le Groupe Vidéotron Litée (hereinafter called the "Company") and General Trust of Canada, as trustee, the Company will redeem prior to maturity on December 10, 1983 (hereinafter called the "Rodemption Date") all the 7% Convertible Debentures due March 31, 2002 (hereinafter called the "Debentures") which shall be outstanding on the Redemption Date, at a redemption price equal to 104.50% of their principal amount together with accrued and unpaki interest on said principal amount to the Redemption Date, psyable on the Redemption Date in lawful menety of Canada:

(a) as concerns the Fully Registered Debentures, at any branch in Carada of The Toronto-Dominion Bank;

(b) as concerns the Coupon Debentures, at the offices of Banque Paribas Luxembourg, the principal paying agent, or at the offices of the other paying agents designated in the certificates evidencing the Coupon Debentures.

paying agents designated in the certificates systemating the Composition presentures.

Payment of the redemption price (\$1,069.59 per \$1,000 principal amount of Debentures including the redemption premium of \$45.00 and the interest of \$14.59 will be made to holders upon presentation and surresder, at the branches or offices hereinbefore mentioned, of the Debentures together with, in the case of Coupon Debentures, all interest coupons, appertaining thereto bearing Number F-14 to F-30. Holders may also present such securities, together with a copy of this Notice, to the bank or financial institution with whom they normally deal and who, in turn, will obtain payment, as concerns the Fully Registered Debentures, from Banque Paribes Laxembourg. Pursuant to the provisions of the Trust Deed referred to above, the Debentures may be converted into Schordinste Voting Shares of the share capital of the Company at any time prior to the close of business on the day prior to the Redemption Date, being December 9, 1983, at a conversion price of \$22.00 per Subordinste Voting Share (being a conversion rate of approximately 45.45 Subordinste Voting Shares for each \$1,000 principal amount of Debentures.

AND NOTICE IS HEREBY GIVEN that interest shall cease to accrue upon the Debentures so estiled for refemption from and after the Redemption Date, and coupons for interest to accrue after the Redemption Date upon the said

Montreal, November 9, 1983. GENERAL TRUST OF CANADA on behalf of Le Groupe Vidéotron Liée

LISTENING TO ANYTHING INTERESTING AT THE WEEKEND?

The Weekend FT Record Page is published on the second Saturday of each month.

For more information about advertising on this page. Please call James Burton on 071-873 4677

.3

THIS NOTICE APPEARS AS A MATTER OF RECORD ONLY

EURO CAPITAL MARKETS B.V. (Incorporated in the Netherlands)

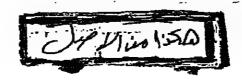
US\$600,000,000

9% Series A Securitised Notes. due 10th November 2003

- Interest Paid Quarterly
- Principal Paid At Maturity
- Principal Secured By "AAA" Rated U.S. Government Guaranteed Securities
- Interest Secured By Interest Payment Guarantee Fund
- Issued in Bearer Or Registered Form
- Income Exempt From U.S. Withholding Funds Used To Finance A Pool of 46

Projects Located Throughout The United

Euro Capital Markets B.V. 63 CURZON STREET • LONDON WIY 7PE Telephone: (071) 493-1008 • Telecopy: (071) 629-0876



In 1992, Morgan's emerging markets sales and trading team executed more than \$176 billion worth of transactions in securities from more than 30 countries. Why do investors call us? Our securities know-how helps them find value when they want it. Our exceptional research capability puts opportunities in perspective. And our relationships and credibility in local markets help us keep the emerging and developed worlds in touch. Emerging markets trading floor, New York

Govett

Emerging

double in

£30m issi

ામનું , દ્રષ્ટ મુક્

JPMorgan

R

with giant smelter

By Kenneth Gooding, Mining Correspondent

ALUSAF is rushing to bring the biggest aluminium smelter in the western world into production ahead of schedule, even though the South African group is forecasting market conditions will remain severely depressed until 1997 or 1998. Mr Fred Roux, chairman,

said in London yesterday that the feasibility study on the 466,000-tonnes-a-year smelter had assumed that supply and demand in the world aluminium market would return to balance in 1995-96, at which time London Metal Exchange prices would return to \$1,650 a tonne (in 1993 prices).

We still believe those prices are attainable but the recovery may have been deferred for two years," he added. Nevertheless, Alusaf hopes

to start up the smelter, now called Hillside, five months ahead of schedule in June 1995 and hit full-capacity working 12 months after that. The group would save R2m (\$437.000) a day on interest payments during the construction phase, Mr Roux pointed out. He also revealed that Alusaf

Oil falls

further

By Robert Corzine

ber 23 to cut its production celling of 24.52 million barrels

The price of Brent Blend for

December fell by more than 25

yesterday to \$15.60 a barrel

Analysis expect prices to

remain in the \$16-\$17 range as

long as the current market per-

ception persists that crude oil

An estimated surplus in

worldwide oil inventories of

30m-40m barrels is sufficient

to allow traders and refiners

to Mr Mehdi Varzi, research

director at Kleinwort Benson

He suggested that an Opec

cut of 500,000 barrels a day

made on a pro-rata basis by all

12 members would be needed

to "shake the psychology of the

supplies are plentiful.

Securities in London.

(\$153m) on the original R6.4bn (\$1.4bn) cost. Equipment suppliers were quoting prices 20 to 30 per cent below those they supplied 18 months ago for the feasibility study. At that time three new aluminium smelters. all using the same technology supplied by Pechiney of France, were being constructed.

Today only Alusaf is building a new plant and virtually every other project in the world has been either cancelled or shelved. Mr Roux said he suspected many suppliers were quoting

below cost. "It is a question of survival for many of them." He said savings would be used to cut the debt being raised for the smalter and consequently lower its production costs so that it would break even at prices below \$800 a tonne. At \$1.050 a tonne the smelter would generate sur-

Last night aluminium for delivery in three months closed on the LME at \$1,062 and analysts suggested that most smelters were not even covering their cash production

by Gencor and 34 per cent by the Industrial Development Corporation of South Africa. South African financial institutions own the rest. The company will be floated on the annesburg stock exchange when aluminium market con-

Mr Roux said Alusaf had signed a 10-year supply contract for alumina, the essential raw material for aluminium elting with Billiton, part of the Royal Dutch/Shell group, and a 15-year contract with Alcoa of Australia (owned by Western Mining of Australia and Alcos of the US).

In return the two organisa-tions would take about half tha new smelter's aluminium outnut Alusaf had also signed a five-year contract, starting in 1994, with Alussuise to supply alumina to the existing 170,000tonnes-a-year smelter at Richards Bay. This would replace complex arrangements made when trade with South Africa was subject to sanctions. Mr Roux said Alusaf was also negotiating a management contract with Pechiney to replace the simple technology

EC stands firm on cow hormone ban

to \$15.60

THE European Commission said yesterday that approval for the milk-boosting dairy hor-OIL PRICES continued to weaken yesterday, putting more pressure on the Organisamone bovine somatotrophin (BST) in the US would not tion of Petroleum Exporting affect its plans to extend its Countries to take action at its ban on the drug. The Food and Drug Adminismeeting in Vienna on Novem-

tration in Washington last week approved the BST drug, Sometribove, manufactured by Monsanto, which will be marketed under the name Posilac. Monsanto has spent \$500m developing the drug, which increases milk output by 6-20 per cent by supplementing the cow's natural BST hormone. A spokesman for the Com-

ission said there was "no reason to change" its plans to extend a four-year ban on BST for a further seven The Commission proposed

the extension in the summer on socio-economic and environmental grounds, saying that use of BST would concentrate milk production on larger farms, driving smaller producers out of business. It would encourage the sort

of overproduction that the

Common Agricultural Policy reforms were designed to cut, increasing slaughterings of dairy cows. Commission surveys had shown it would also encounter resistance from con-

The spokesman said the ban was unlikely to lead to the sort of trade war with the US that was triggered by the EC ban on hormones in beef produc-tion since "we don't import dairy products from there' The entry of BST on to the US market is expected to cost the US government \$15m in payments to buy up excess supplies of milk from dairy

The FDA said milk from treated cows had been found to have the same nutritional value and composition as milk from untreated cows. "The public can be confident that milk and meat from BSTtreated cows is safe to consume." said FDA commissioner David Kessler.

The agency said Monsanto had agreed to monitor BST residues and carry out tests on milk produced in 21 leading dairy states for the next two

Alusaf forges ahead Call for tighter health checks on cattle

ANIMAL health experts and farmers' leaders in Britain are calling for more stringent European Community controls and greater vigilance by importers after the first outbreaks of the cattle diseases brucellosis and warble fly for three years. Brucellosis, which causes

cows to abort and can lead to severe fever in humans through direct contact or unpasteurised milk, has broken out on three separate farms in Anglesey, north Wales, and Cheshire, north-west England.
Animals showing autihodies

to the disease — known as reactors - have been found on two other farms in Cheshire. Ministry of Agriculture vets

are checking to see whether the disease, which has been absent from Britain since 1990. was brought into the country by imported French or Dutch cattle or has been lying dorment in domestic herds. The warble fly outbreaks,

which have reached 107, have

been traced to imported

French cattle that curried cer-

tificates of health. The fly burrows under the skin along the spine, causing discomfort and death if untreated and affecting the quality of the hide. The infestations can be treated with chemicals, unlike brucellosis, where infected cattle have to be

Warble fly is not a notifiable disease in the EC, so the Ministry of Agriculture has put the omus on UK farmers to treat newly imported animals

Some farmers are blaming the diseases on the advent of the single market, which ended border checks on live animals on January 1. Quarantine restrictions foot-and-mouth disease were removed in April last year. But Mr David Naish, president of the National Farmers

Union, said yesterday that it was up to livestock importers to ensure that UK cattle were kept free of imported disease. He blamed "a small minority of irresponsible dealers". "It is imperative that all those involved in the livestock trade adhere strictly to the certification requirements covering the movement of animals from one country to another," he said.

The British Veterinary Asso-

disease, particularly brucello-

sis, were "very wontying". With the advent of the internal market, the movement of animals has gone up 10 or 15-fold," said Mr Francis Anthony, senior vice-president of the association. "The more movements there are, the more risk of disease. The threat does not stem

solely from within the EC.

Italy suffered an outbreak of

foot-and-mouth disease earlier this year, which was brought in from eastern Europe. Mr Anthony said the European. Commission had to ensure all member states used common health certification standards. Under single market

given health certificates by officially appointed vets on the

ciation said the outbreaks of farms where they originate. Spot checks for diseases are also carried out on imported animals once they arrive at their destination.

· -, -- ·

"Veterinarians are not trained to the same standards throughout member states, said Mr Anthony. "We and our fellow veterinarians in member states need to be able to trust each other's certification. There's a dirty great question;) mark surrounding it at the

moment. The association is advising farmers to quarantine imported animals for two weeks before introducing them into domestic herds. • The European Commission has approved the slaughter of 600,000 German pigs to combat outbreaks of classical swine fever, Reuter reports.

India's jute rules relaxed

By Kunzi Bose in Calcutta

THE Indian federal government has accepted the sugges-tion of the Indian Jule Mills Association to allow free import of jute in the current m to next June.

The move is a reaction to concern about the runaway inflation in raw jute prices which may force financially weak jute mills to close. Until now, the mills have only been allowed to import inte for use in producing

export goods. However, industry officials said the liberalisation would not give much relief to jute mills. At this stage, the Indian mills would not find it easy to import jute of required grades and quantities and were resigned to importing low-grade fibre, including cuttings from Bangladeah where prices are higher than in India.
The jute crop has suffered a setback both in India and Ban-

Industry officials said the situation would not have been as grave if the government had freed the import of jute earlier in the season. It had do so because official crop monitoring agency forecasts had pointed to a near-normal raw jute production of 7.2m baics in July.

Now, the industry thinks the

WORLD

crop will be no more than 6.5m bales, while the trade A few weeks ago, the minister of agriculture, Mrs Gillian Shephard, ruled that FFB estimato is even lower at 6m. industry officials said most jute mills were finding it "extremely difficult" to buy fibre at the prevailing rate.

No time to taste the main dish

The UK is promoting niche food but ignoring the volume market

he ballroom of the Cop-dock Hotel, Inswich, had never smelled as good. Even out in the car park wafts of the delicious aroma were inviting. Once inside the sight of beautifully presented fare together with offers to taste completed an enjoyable gastronomic experience.

Before I become a candidate for pseuds corner in a perhaps less auspicious organ I should explain that I was attending the inaugural exhibition of Pastes of Anglia - launched last year to encourage small, speciality food companies in Cambridgeshire, Essex, Norfolk and Suffolk

Membership of the initiative is about 100, and more than 30 of those were showing their wares on trade stands at the hotel with a view to attracting more buyers for their products. The range of food and drink varied from a number of different types of apple juice to Essex-reared venison and from qualls eggs to chutney. In between were such delicacies as home-baked meat pies for the pub trade, cooked hams, smoked salmon and ice cream

made from real cream.
It all looked - and I can vouch that most of it tasted excellent, and a fair number of East Anglian caterers turned up to search for new suppliers. The promotional organisation. Food From Britain, was there supporting the only sector of the UK's domestic food production now within its

should concentrate on exports. But she included speciality foods in the UK within its



nsibilities and they are eligible for a small part of FFB's £7m budget. The minister of food, Mr. Micholas Soames, also attended the exhibition to cheer the initiative along and to put his. ministry's seal of approval on a TTB hopes to have another

half-dozen such regional groups running soon and some are well advanced. They have leveloped from county as tions, which failed to gather momentum, mainly, according to FFB, because they "lacked. critical mass". In other words they could not attract sufficient members to stage a show like that at Ipswich. Moreover, only one-third of the members of Tastes of Angila exhibited at the event. The rest, presumably, were too small to fill and staff a small booth.

Now I am in danger of damning the enterprise of those who organise and show at such events with faint praise. I do not want to do that for I wish them well and applaud their energy and their products. I-also believe it is entirely approshould continue to be spent on aiding individual small producers to improve their marketing.

But the fact is that in national terms the producers at the Ipswich show represented a tiny niche in the food market. And if all the production of similar regional groups were added together the volume of food would still be insignificant when compared with national consumption.

Niches can, of course, grow as Michael Marks' penny store in Leeds and the small butcher's shop of the original Mr Sainsbury prove. But in the tion of the media and more seriously the government seems to be dominated by niches, and volume sales seem to be neglected.

Giant retailers, of course. promote their own brands very fficiently. But as competition for customers intensifies, with the launch in the UK of discount and wavehouse clubs, it is inevitable that all such companies will seek to squeeze the prices they pay their suppliers in order to preserve profits. Once that possibility is exhausted they may well seek more from marketing organi tions abroad. Surplus produc-ers in Europe would grab the opportunity for a higger slice of the lucrative UK food market with both hands.

in the meanwhile, however, the UK's food trade gap - the gap in value between the food we import and the food we export - has risen to \$6bn a year, and food is now the trade sector with the biggest deficit. By far the majority of these imports, the volume of which is still rising, come from other northern European countries. In other words, the goods could easily be produced at home.

If the government is serious about containing and then reversing this trend and improving the balance of payments at the same time (as the prime minister and agriculture ministers have been claiming for at least two years) it is vital that it acts urgently.

The recently announced 26.4m of group marketing aid over three years to help more small businesses like those at Ipswich is welcome, of course, but inadequate to the scale of the task. The food industries of France and Germany have 250m-260m a year each to promote their produce. No wonder the UK is being left behind. What is needed is a new

co-ordinating body to replace and develop the curtailed activities of Food From Britain on the domestic front and to address volume markets. Its remit should include initiating national food quality assurance schemes, promoting the superiority and safety of homebased production, and persuading retailers and consumers that British food is best value. It would be unrealistic to expect the government to pay for all that, but most of the cost could be funded by statutory levies from the farming and food industries. As Mr Nicholas Soames said

at Ipswich the other day, food and farming together employ some 14 per cent of the British population and between them produce 10 per cent of the gross domestic product. The UK cannot afford risk the security of such a large and important sector of the economy. Nor can it afford a food trade gap that could rise to £10bn by the end of the decade if nothing is done to stop it.

MARKET REPORT

GOLD'S price was "fixed" in London at a three-month high of \$377.90 a troy ounce in the morning. But it eased back to close 50 cents down at \$376.25. The failure to build on Friday's gains prompted light liquidation of long positions built up during the recent raily, dealers said. The shake-out had been expected, given the lack of follow-through buying in the morning, but the move had not dented the market's generally bullish outlook. Support for the metal was expected to hold at \$375. A report that Russian ALUMINIUM exports would be between 1.8m and 2m tonnes this

London Markets

Crudo all goer barrel FOBIJDs	떠	+ 01
Dubus	\$14,03-4.14u	
Brent Bland (dated)	\$15,34-5.37	
Brent (Bend (Dec)	\$15.69-5.72	-0.275
W.T.J (1 pm est)	\$16.80-5 82u	-0.395
OR products (NWE prompt delivery per to	nne CIP	+ or -
Promium Gasalina	\$174-177	-25
Gas CN	\$166-169	-1
Hoavy Fuel Q4	305-57	
Naphina	\$148-151	-2
Petroleum Argus Estimates		
ON-		4 OF -
Gold (per tray ozt€	\$375.25	-0.50
Silver (per troy czniji	448.5c	-1.0
Platinum (per troy o.c.)	\$377.25	4.00
Palladium (per troy oc)	\$128.75	-1.75
Copper (US Producer)	80.0c	+0.5
Lead (US Producer)	33.88c	+0.33
Tin (Kusia Lumpur market) Tin (New York)	12.00r	+0.12
Zinc (US Prims Western)	221.50c Ung	
Cattle (the weight)	177.00	-2.91*
Sheep live wegnifts	89.47p	+0.60*
Pigs (the weight)	72.04p	+2,04"
London dally sugar (raw)	\$270.9	-44
London daily sugar (white)	\$298.5	-1.5
Tato and Lyle expert price	\$294.5	-0.0
Barley (English feet)	C106.54	
Mazo (US No. 3 yelkow) Wheat (US Dark Northern)	£120.5	
ANIMAT (NO FYAN MOSIDISM)	\$175.0	
Rubber (Dec)	61 00p	- <u>0.25</u>
Foundation (Jam)	61.25p	-0.25
Rubber (KL RSS No 1 Jul)	207.0m	+1.0
Coconut of (Philippmen)5	\$437.59	
Palm Ol (Mala) mian(\$	\$347.50	
Copra (Philippines)§	\$295.0	
Soyabears (US)	£189.5w	+1.5
Cotton "A" index	54.15c	
Yfooltops (64g Super)	363p	+2

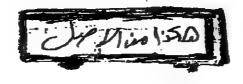
year, up from 1.5m tonnes in 1992. caused little surprise in the market which is close to eight-year lows. Yesterday the three-month LME price drifted down another \$5.25 a tonne to close at \$1,062. COFFEE prices in London ended alightly lower after disappointment In New York over the relatively small purchase of 10,000 bags in Friday's second Brazilian auction in the retention scheme. The January futures contract closed \$2 lower at \$1,228. It had earlier reached \$1,250.

Compiled from Reuters

ORUDE	Off FPE		
	Letter	t Previou	s High/Low
Dec	15.60	15.51	15,92 13.6
Jeg	15.89		10.14 15.5
Feb	16.12		18.30 18,0
Mar	16.20		10.30 16.2
Apr	10.40		16.53 18.3
Am	18.56		16.90 16.6
rus PE Inde	16.82		18.82
Tunove	34213 (4	1253)	
GAS OF	- ME		
	Close	Promises	Highlion
Nov	165.00	164.50	163.50 161 76
Owo	161.75	164,98	165-00 160.50
Jan	160.75	163.75	162.25 180.00
Petr	160.25	163.00	161.00 159.50
Her	159.50	162.25	160.25 156.7
Apr	156.50	161.00	159.50 158.25
Any An	156.00 157.50	160.25	158.00 158.00 157.8
Ju	169,75	LOCTOR	159.75
Tentovar	20083 (1d	8786) ists a	f 100 townes
SUGAR -	- LCB		₿ per
White	Close	Provious	Highlow
Dec	288.60	266.00	289.96 267.00
Mer	263,20	264.80	285.00 283.00
May	284.80	286.50	285.00 284.80
Aug	268.10	289.60	269.50 286.10
Oct	278.10	278.30	ETTS. 10 276 m
Ternover Dec 1886			illy (PFt per 10
TEA			

_				_
-7 a	m 4944	n-tox	(centaffee)	LOw
	Close	Provious	High/Low	Aband
77	11.32	11.41	11.40	Cash
Turnova	6 (142) 1	lots of 50 m	mes.	II mo
				Clash 3 mor
				Lead
			Storm	Cash 3. mm
	Close	Provious	High/Low	Mele
Dec	806	900	902 694	Conth
Mer May	945	937 944	940 929 946 937	The (S
Jul	MS.	945	944 940	Comb 3 mm
Sep Dec	947 936	948 986	937 926	Zho,
Mor	940	994	989 982	Cash I ma
May	946	936	941 986	LME
	_	435(obs of 1		SPOT
for Nov	5 897.19	ices (SDFIs) (886.07) 10 (per torme). Daily pites tay average for Nov 8	LME
91529	917.66			Low
				Gold (
COPPE	- 6		S/tores	Close
	Circo)	Previous	High/Low	Openi Marri
Nov	1211	1217	1231 1208	Aftern Day's
Jan Mer	1226	1230	1250 1223 1233 1266	Day's
	1202	1207	1221 1200	Loco
Jul Sapi	1196 1196	1205	1220 1214	1 mar
		HO L1		3 tree
ICO indi	cator prior	916) lata of 81 (US cost)	per pound) for Mov S	Spot
Comp. (89.04)	daily 68.9	6 (69.01) t	5 day awange 69.18	2 mg
				12 000
POINT	OHE - 1/2	4	\$70mms	9010
	Close	Previous	High/Low	-
Apr	84.5	22.5	86.8 MAD	Cuge
May	99.2		D9.4 90.0	Maple New S
The property	. 80 US) .	ote of 30 to	PITMES.	-
				TRAC
	IT - LCE		\$10/m/sus point	Alemá
	Close	Phonicus	14gb/Low	1025
Apr	1347	1345	1347 .	1050 1075
BF7	1318	1911		Сорре
Tumovi	r 2 (121)			1825
				1650 1675
	- UCE		Sittema	
Wheel	Close	Predous	High/Low	Gotte
Jan	98.95	23,10	99.25 98.85	1150
Mar	101.00	101.19	107.25 100.90	1290 1290
May	102.95	F03.10	103.26 102.85	Coope
Saring	Close	Previous	High/Low	575 900
-lan	103.15	100.25	103.15	825
Mile	105.15	105.40	105.33	_
iure/	7 Wheat 1	131 (385) Po	rley 11 (46)	Breat 46m.

on b	NTAL ENCH			_		Red by Am		Metal Tracing	HEAT	TING OIL:4	2,000 US ge	it, cente/U	5 galle	Ch	icag	•		
_	Gase M.7% purity	Previous 5 con house	High/Low		M Official	Kerb t	_	Open Interest		Leteck	Previous	High/Lon		BOYA		Of the prior of	enge/BORo bus	ubad '
-	1040-1	1048-6.6	•	- 1	1041-2	(oca	THE CASE	wer 30,232 lots	Desi	80.80	51.26	31.56	60,40	30174	Close	Previous	High/Low	<u> </u>
Min.	1001.5-2.0	1007-7.5	1005/1056	1	0625-3.0	1056,5		90,437 lote	Jun	81.65	89.00	82.35	61.20	Nov	091/2	841/6	698/0	630/0
. 0	de A di per la		4000 400	_	****	Total	Sally Dame	New \$5,223 ion	Feb	32.15 51.80	62,48	62.05	61.80 61.60	dent	639/4	850/6	847/0	636/5
66	1642.5-8.5 1698-6.6	1663-4 1675-6	1000/1006		1,641-1,5 1,684.6-6,0	1008-7	1	192,400 lots	Apr	51.26	51,54	81.85	\$1.05	May May	646/0 649/0	657/2 661/2	653/0 657/0	645/4
2 be	OPERAL)		•			Total	duly turn	cover 3,547 lots	Jun	60.70 30.80	.50.54	60.20 60.60	50.45 50.25	.	852/6	604/2	g80/4	852/2
_	303-4 407.5-8.0	413-400 413-4	410407		106-5.5 108.6-10.0	400-8		14,788 lots	M	80.70	50.74	51.00	80.40	Aug Sep .	659/4 659/4	662/6 845/0	868/0 843/4	652/0 636/0
13 pe	JOSEPH .	414.4			1010	Yotal		over 7,781 lois	~	81,00 82,20	51.29 ·	51.40 82.66	51.30 82.30	Nov	627/2	532/2	630/0	8984
	4700-10	4720-5			1710-20		•		. —	-		-		BOYA	MEAN COL	80,000 fbs; o	embe/ilb	
per to	4755-80	4775-80	47054710	4	1770-6	4730-6 Total		14,791 loks love: 3,275 loks	-		es;S/tormes				Den	Previous	High/Low	
Per 10	4760-76	4795-86	4880/4826 4840/4806		752-6		:		_	Close	Previous	High/Low	<u> </u>	Deg Jen	23.42	23.94 23.95	29.87 23.85	22.36
m	4815-20	406-70	4840/4808	4	HD1-6	4805-7		18,323 lota	Dec	1090 1159	1093 1141	1000 1145	1009 1138		\$3.70	B4-11	57.00	23.47 23.64
poch	l High Grade 926-0	5 per tones 937-8		_	27.3-8.0	Total (MAN SHIP	wer 31,612 lots	May	1165	1157	1102	1161	May Jul	23.78	24.19 24.20	24.05 84.10	23.75 23.82
-	7	\$54-6°	955/944		48-66	945-6	8	12,854 Lets	- 200	1367	1172	1170	1185	Aug	24.75	34.00	24.00	23.70
30061 1.481	25 rains	3 months 1	erre.		months: 1.	and '	-	months: 1.4888	Dec.	1177 1190	1184 1197 '	1100 .	1177 1196	Sep Cot	23.56 23.23	23.93 23.85	23.85	23.58
				_					Mar	1204	1211	8	0			L 100 tong		<u> </u>
_	loisi £16 apat							<i>:</i> •	May May	1225 . 1231	1222 . 1234	9	0	_	Charge	Previous	High/Low	
	METAN WA			Νe	ew Y	ork			800	. 1250	. 1293	0	0	Dec	202,1	204.0	203.0	200.6
_	S price	-	Address					····	COFF	EE 'C' 37	500lbs; cari	adbe		Jan.	199.4 198.1	202.1	201.0	198.6
, -	276,00-276			GOL		or; Stroy				Cime	Provious	High/Low		May	198.4	201.6 201.8	200.5 200.8	197.6 197.6
	377.50-376			Båma .	Close 574.8	S77.1	. High/L		Dec	75.45	77.06	78.00	74.90	Juli Aug	199.0	202.1	301.6 0.009	198.5
g år Strik		285.3		Dec	375.5	377.8	\$3.8°0 0	0 374.9	Mar	78.30	79.85	79.75	77.85	Bep	197.5	201.5 .	200.0	197.5 197.0
high	378.00-378 374.50-376			Jihri Feb	376.5 177.5	378.8 379.8	0 ·	0 3764	aday Jul	79.70 81.35	82.60	81.85	79.30 80.80	Oct	198.3	197.2	197.0	195.8
_	Gold La		(the USIN	Feb Apr Just	374.1 191.1	381.6 382.4	0.5BE	376.5	SHIP	82.80	84.80	D	0	MALZ		roles centu/St		
	2.70	i mostini	2.72	Aug	362.9	365.2	0	0	Dec	85.00 87.50	88.30	85.03	84.75	-	Close	Previous	High/Low	
2	2.7i 2.70	12 months	2.74	Dec	385.8	368.1	380.5	386.6			*11" 112,00			Own Marc	268/4	268/6	263/0 270/8	260/4
-	Digol os	128 cl	a copie	PLA	WALM 50 1	ray at, the	750 Ac		-					Mary	272/4. 273/8	275/4 276/4	2744	272/2
=-	305.05	451.7			Close	Previous	High/La			Class	Previous	High/Low			263/6	265/2	275/6 265/0	273/2 263/2
-	309.95 312.95	455,1	5	Nov	303.0 373.1	303.0	0.386	. 0 377-1	Admir Admir	10.63	10.74 10.86	10.76	10.62	Dieni Mar	255/6 262/2	256/0 263/2	256/2 262/4	255/0 251/4
	320.85	489.0 467.3		Apr	379.6	381.5 362.5	382.5	360.0 361.0	Jel	10.82	10.91	10.91	10.82	WHEA	7 5,000 by	Tries, contacts	-	2004
				Oct	382.1	384.0	363.5	383.5	Oct	10.81	10.51	10.89	10.61	_	Latest	Previous	High/Low	
CON				SILM		oy etc. cant	Apol or		COLL		ibu; centa/i	28		Dec	333/0	336/6	337/2	331/8
	\$ price		uhrabent		Citae	Previous	Hght		-	-	Previous	High/Low		Mar May	332/g 323/2	338/6	338/2	332/0
rand leaf	380,30-3 385,70-8		D-259.00	Mov Dec	445.0	448.8 450.5	0 ' 453.0	0 . 447.5	Dec	56.13 58.47	58.47 - 58.48	58,77 58,80	96.08	Jul	316/6	318/2	317/B	322/4 315/6
-	-	BD 80.00	1-62.00		450.9 454.1	461,8	458.0	452.0	May.	38.70	98.95	90.00	58,45 58,70	Gep Dec	320/5 329/0	323/0 331/0	230/4	325/4
_				May Jul	457.2	4512	490.D	485.0	46	60.85	60.90	61.00	60.70	Ju	\$15/0	316/0	D	0
	9.7%)	Calle	Puls	Sep Dec	460.3 468.4	461.3	485.0	450.5	- Dec	81.55 ·	51.30 81.86	81.80 82.10	81.75 81.75	LIVE		,000 fbs; can	s/fbs	
	torne Dec	Mer. Do		Jan	486.4	450.3	470.0	467.0	Mar	. 102.55	62.75	9	0			Provious	High/Low	
Ange .	41	88 14			473.5	474.5	476.0	476.0	ORAN	GE JUICE	15,000 lbs	cents/ibs		Dec Feb	73,126 74,375	73.125 74.500	73.400	72.000
	Z	51 24	24		_	OPPER 25					Previous	High/Low		Apr	75.950	78.125	74,700 76,225	74,190 75,900
_	16	38 36	35		Close	Previous			Hor	101.00	104,25	104.40	101.00	Aus	72.700 71.325	72.800 71,425	72.975	72,850
Ç.		Calls	Pete	Dec	75.10	75.00 74.80	75.10 76.48	74.80 74.80	Juin	104.55	108.80	107.45	104.80	Cost	71.825	71,950	71,550 71,850	71,300 71,775
	57 43	92 22 77 33		-ion	76.25	75.00	75.50	75.25	May	107.65	109,90 111,80	110.10 112.10	107.93 110.00	Det	72.725	72,900	72.650	72,675
	III	B4 48		1	75.45 73.85	75.20 75.40	75,65 78,00	75.60 75.45	Jii	111.50	113.60	114.90	114,90	TIME H		00 lb; centa/fi	>5	
_				Apr May	76.90 76.15	71.50 75.45	78,05 78,45	75.70 76.06	Sep	112.95	114.60	114.80	114.60		Close	Previous	High/Low	
LCE	200	Mar Jo		Jun	76.40	76.05	76.55	78.35	Nov Jen	110.40 110.40	118.10 173.10	0	0	Dec Feb	47.200 48.550	47,200	47,725	47.100
	101	111 25 92 41	80 84	Jul Aug	76.86 76.80	76.25 76.50	79,95 0	76.89 0	Mari	110.40	113.10	ō	8	Apr	47.075	48.750	48.825 47.275	48.300 46,800
	99 45	92 41 71 67		_	DE CIL LL	mg 42,000	UG crafts \$	Served	_	<u> </u>				Jun July	61.325 60.525	51,250 50,400	51,560	51.300
LCE	Des	Mar De	s the	_	Labori	Previous	HighVL			NCES		45		Aug	48.250	49,150	50.700 49,375	90,250 49,250
	29	15		Dec	16.75	17,09	17,00	16.66	1 ===		No. 4			Oct Dec	45.250 45.800	45,260 45,500	45,350 45,600	45,250
	NB 7	75 36 61 57		ann Feb	17.02 17.28	17,26 17,48	17,33 17,53	16.85 17.22	-	Nov 8	Nov 4	mith ago				10,000 lbs; ca	70,000	_0
	•	U. A		la constitución de la constituci	17.45	17,60	17.60	17.36	90		Base: Dec.	1677,8 31 1974 - 1	1646.4		Clase	Previous		
Crandi	Ülec	Jan St	c Jan	盔	17.50 17.73	17,72	17.72	17.49	1 ==	Nov 5		mnth ago		Feb	55.450	66,100	High/Low	
	5	45 35		1	17.32 17.98	17,95	17.07	17.72	Byot			117,10	115,02	Mar	55.300	54,775	56,950 55,700	55,100 54,960
	2	25 30	-	Agg	17.46	16.15	18,05	17.00		100.00		125,31	116.59	May Jui .	65.800 57.000	54.750 58.250	66.100	55.500
	-	13 13	Z = .	Sep	18.17	18.27	16,18	13.12									57,050	56,000



THE UK SERIES

FT-A ALL-SHARE

111

Early falls reduced in nervous trade

By Terry Byland, UK Stock Market Editor

中華一大学の大学と

FAVOURABLE UK economic statistics, a steadier lead from Wall Street and firmness in domestic bonds all helped to check the setback on the London stock market yesterday. Although traders remained apprehensive ahead of impor-tant US data due today and tomorrow, early losses in share

prices were more than halved by the close of business. The final reading showed the FT-SE 100 Index down by 8 points at 3,077.6, and some market strategists continued to warn that the index could be vulnerable down to the 2,850 area if selling resumed.

The stock market opened higher, heartened by the 18point recovery in the Dow Average on Friday, which drove some of London's more speculative sellers to hasten to buy stock to meet selling commitments entered into on Fri-

day morning. However, the Footsis topped out at 3,096.5 early in the session, indicating that it was not confident enough to test 3.100 again at present. The loss of impetus soon turned into a downturn as weakness in the futures market drove the December contract on the Footsie to a discount.

Stop-loss salling of the futures contract proved to be a negative influence throughout the day. Before noon, the mar-ket was down by 20.5 on the FT-SE scale and then remained nervy as it awaited the opening of the new session on Wall

In the event, Wall Street made a good start, and was only a shade easier when London went home for the day.
The Footsie, having traded a
somewhat erratic pattern, largely under the influence of

the stock index future, was rallying at the close.
The London market was

fuelled at first by the announcement of a sharp jump in UK consumer credit in Sep-tember, indicating reviving economic activity, and then by the non-inflationary implications of a modest increase in factory gate prices in October. "The economic data was

excellent for the stock mar-

TRADING VOLUME IN MAJOR STOCKS

ket." commented one leading trader, noting that the statistics implied that, whatever the worries regarding the outlook in the US, the UK economy is expanding while inflation remains under control.

But traders agreed that, since the shakeout in global markets had clearly been prompted from the US bond sector, the near term outlook will depend heavily on how

end press reports on the threat

of Norwegian salmon farming

said to be partly to blame.

Reports of litigation in the

banana business hit Geest, the

Leisure stocks largely under-

performed against the rest of

the market as last week's good

run came to an abrupt halt.

Only Forte found good support,

the shares advancing 4 to 219p,

although turnover was a weak

1.2m. Manchester United was

another bright spot - advanc-

ing 19 to 567p on positive week-

Ladbroke shed 8 to 174p as

turnover hit a bumper 15m in

Granada suffered profit-tak-

ing after excitement in the

broadcasting sector on Friday.

The shares fell 9 to 486p. Thorn

EMI slid 13 to 929p as the com-

pany attempted to defuse the

After Friday's heavy fall fol-

lowing a trading statement and analysts visit, Guinness recov-

sector as investors drew com-

fort from what is expected to

be a bumper dividend increase

when National Power reports

results on Thursday. Its shares put on 6% to 411%p. PowerGen added 6 to 465p and Scottish

Power 41/4 to 4011/sp. The Recs

and water stocks continued

under a cloud following last

week's Ofwat report which

underlined the tougher regulatory environment for the two

Electronic component dis-

ered, closing 4 ahead at 412p. The power generators stood out in a weak electricity utility

controversy surrounding

Rent-A-Centre US busine

end press comment.

late trading.

shares ending 19 at 342p.

federal bonds react to the US producer price index, to be announced today, and to the US consumer price index expected tomorrow; overnanging both is the outcome of this week's US bond auctions

London's rally from the day's lows reflected some good quality buying from investors taking the view that the market had been oversold. At Strauss Turnbull, Mr Ian Harnett pointed to market support from real dividend yields, pro-spective dividend and earnings growth, a good equity bond ratio, and expectations of fur ther falls in base rates.

Underlying nervousness took its toll of the second line issues, where share prices were more readily marked down. The FT-SE Mid 250 Index was driven down by 19.4 to 3.440.7 Non-Footsie business made up around 56 per cent of the Seaq total of 557.6m shares On Friday, Seaq reported that 773.3m shares changed hands for a retail worth of \$1.74bn, one of the highest daily figures this

Accour	nt Dealing	Dates
First Deslings. No. 1	New 15	Nov 25
Nov 17	Ore: Nov 15	Sec 9
Nov 12	Nc = 26	Dag 10
cepunt Days Nov 22	Dec é	Dec 20

Heavy trading in Fisons

DRUGS group Fisons was the most heavily traded stock in the London market yesterday after investors considered the .. impact of an alleged malpractice scandal. The shares fell 6 to 147p on turnover of more than 17m shares.

The salling was a reaction to a Sunday newspaper story claiming doctors had been paid for prescribing Tilade, Fisons anti-asthma treatment.

Fisons issued a statement yesterday saying it believed that any mainractice was limited to a handful among its 100-12 U.S. 88L

However, one analyst commented: "It is not what the sales staff were doing but what lies behind it in terms of Tilade's sales."

BAT in demand

Recent news from the US' that tobacco prices could be poised to recover ensured that BAT Industries, the tobacco to insurance conglomerate, bucked the market trend. The stock rose 17 to 478p.

BAT announced last week that a cut-throat cigarette price war in the US had depressed its third-quarter profits. The group said the move to reduce prices, started by rival Philip Morris, cost it nearly £100m in the quarter to the end of September.

AB Foods pleases

_0350

Good results from Associated British Foods sent the shares upward, although profit-taking clipped the gain before the close. Turnover, however, was a below-par 240,000, with the shares adding 4 to finish at 479p. Pre-tax profits came in at 2338m, well ahead of the market range of £300m to £320m Most of the excess was down

NEW HIGHS AND **LOWS FOR 1993**

NEW HIGHES (28).
BESTISH FERRICS (1) Treas. 200 L.L. 1994.
CANADIANS (1) TWX GOLD, BULLETIERS (1)
VEIUS, BLOO MATLE (1) Early, BUSINESS
BERVS (2) Acten & Vestwy, Dart GOLD, GREINES
CLOSH INS. 500 PL, Vorlanin, COPITTO &
CONSTRON (3) NSM, Shorti, Warophini,
L. ECTRONESS (8) DINCK Elso, Date, Pacer
Systems, Polor, Palon, Turetal, Sind GON
(9) Casylaba, Farmer, MS, MEALTH & HESPALD
(2) Carginato, Folor, Palon, Turetal, Sind GON
(2) CAS GROUP, EUROSTEIN, MESO (2) Casto, MEDIA
CAS GROUP, EUROSTEIN, MESO (2) Casto, Media
(1) Etc. Botto, Currently, MTL, & MTL,
PORABING (1) Ferrics, MESO (2) Casto, Media
(1) Etc. Botto, O'THER FINGE, (1) EWO, PROP
(1) High-Ports, STORES (1) Hossis, TEXTS
(2) Doubles, Fortietale, Lamping, TRAMSPORT
(1) Mesney Double & Herbour. (1) Menney Docks & Herbour.
NEW LOWS (2) Docks & Herbour.
NEW LOWS (2) Docks & Herbour.
NEW LOWS (2) Docks & Herbour.
14 Ind 1884, AMERICANS (1) Woolworth.
NEW MESS (1) Burn Sevent Disks, SUBBRESS SINVS (1) Hobras Protection, CHIESE (1) Surnivist, Courtaids, BLECTPISCALS (1) Burnivist, CLETTRONES (4) Bird, Corrac, Forward Tech., Standard Pindorm, Elvid Quan (1) Seventey FOOD MARKE (1) Corracids, FOOD STANLING (8) Angril, Isoland, Kwit, Sava, Low (Writ, Salasbury (4), Tech. Herbot, Sava, Low (Writ, Salasbury (4), Tech. Herbot, Hotel, Sava, Low (Writ, Salasbury (4), Tech. Herbot, Hotel, Sava, Low (Writ, Salasbury (4), Tech. Amphiew, Talastra (1)
Perpatual Japanese, MEDIA (8) Finch, Gold Greenhes Trutt, MESC (2) Dolancy, Stands
& McEvern, Sinclair (Writ, OTHER FINCL (1)
Herboto Ins., PALSCA, PAPER a PRINTING (1)
Herboto Ins., PALSCA, PAPER (1)
Herboto Ins., PALSCA, PAP

to one-offs, with operating profits only marginally in front of last year's figure. For this reason, most analysts retained their forecasts for the 1993-94 financial year, with Strauss
Turnbull staying at £310m.
Analyst Mr Carl Short said: The shares are worth holding on to for the eventual improve-

ment in milling and baking. However, most food special-ists agreed that the short-term problems in the bakery division will probably continue to overshadow the stock.

Besnak savaged

Health products manufacturer Bespak suffered a savage investor rerating after issuing a warning that profits would be sharply lower than in the previous period.

The company, which makes moulding and micropumps. said profits for the first half of the year would be about half the year-earlier figure and it cted full-year results to be lower than the previous period. Bespak said a fall in the bustness of US Surgical, its largest US customer, and uncertainty among other healthcare customers pulled down the group's results. Also, sales in dollar terms in the US fell in the first half of the year. The

shares plunged 155 to 318p. in the year to April, Bespak made £11.5m, a jump of 66 per cent from the previous year. The first investment trusts giving access to the Lloyds insurance market to be quoted on the stock exchange began trading yesterday. Hiscox Select closed at 110p, a 10p premium to the subscription price. However, the new HCG Lloyda trust ended the day only a

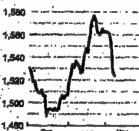
penny above its subscription price at 101p.
Several bank stocks were sold down after Hoare Govett. the securities house, reiterated its unenthusiastic view. Hoare underlined a neutral stance on National Westminster, which fell 8 to 539p, Royal Bank of Scotland, 11 easier at 349p, and

Lloyds, down 71/2 at 555%p Standard Chartered, in contrast, were firm at 1028p after news that the bank was planning a simultaneous secondary listing of its shares in Hong Kong and Singapore, possibly

within six months. Shell Transport saw its share price rise in a depressed market as investors hoped for encouraging third-quarter results on Thursday. Buyers were motivated by good figures from BP which last week announced a big rise in its own third-quarter figures. Shell improved 5 to 720p while BP recovered from profit-taking at the end of last week and closed 1¼ firmer at 352p. BP Oil, a unit of British Petroleum, said it was evaluating several options for its refinery in Marcus Hook, Pennsylvania,

including its sale. Pharmaceutical groups SmithKline Beecham and Glaxo were weaker after the former announced that it was launching a price war in the US. It said it was cutting the price of Tagamet its ulcer

FT-A Alf-Share Index



Equity Shares Traded

treatment by offering a \$10 rebate. The price cuts could affect sales of Glaxo's anti-ul-

cer treatment. Zantac. SmithKline slipped 131/4 to 395%p and Glaxo was 2 lower at 663p, the latter shares held up by a positive annual mesting, Glazo's chairman Sir Paul Girolami told shareholders that results and sales were on

target so far this year.

Pharmaceutical group Wellcome fall 25 to 677p after Nomura changed its recommendation to 'sell' from 'hold'. The shares were also dragged down by general weakness in

the sector. Stores stocks were mostly resilient, with several moves into positive territory by the sector leaders. Hoare Govett was yesterday pointing out the recent weakness in the sector as overdone and its belief that, the Budget notwithstanding, retailers are likely to benefit from good Christmas sales. Dixons put on 3 to 280p, with one broker said to be recom-mending the stock following the recent visit to PC World in South Wales. MFI slipped a half-penny to 140%p amid presentations to clients. There was also Elsewhere, Boots added 2 to 506p. Kingfisher a penny to 640p, Lloyds Chemist

5 to 272p, Sears 2 to 115p and Marks and Spencer 2 to 398p.

Among food stocks, Booker

weakened 5 to 390p, with week-

tributor Abacus came to the market at 140p and closed a good opening session 13 higher at 153p. TT Group gained 4% to 330%p on hopes it would benefit from any expansion by Sega in South Wales. Siebe advanced strongly as it

announced acquisition of a controls company in Germany. Engineering analysts added that the recent rights issue had been well received. Kleinwort Benson was also said to be pos itive on the stock. The shares closed 6 forward at 566p, the nil-paid gaining 8 to 84p.

Motor component group Lucas advanced a penny to 176p. Dealers said there was a growing belief that Mr George Simpson, deputy chief execu-tive of British Aerospace, would accept the post of chief executive of Lucas.

FINANCIAL TIMES EQUITY INDICES

Ordinary share 2323 Ord. die. yield 3.9 Ferning vit % tall 4.6		2376.0	2363.7	2387.4	1996.4	04445	4404
Ord. die yield 3.8	9 197				122074	2414.2	2124,7
Constant of the first A.C.		3.69	3,87	3.87	4.58	4.52	3.82
Earthing yet % full 4.5	5 4.63	4.54	4.49	4.48	6.49	6.38	4.47
P/E ratio net 26.5	93 27.05	27.83	27.91	27.97	19.66	28.30	19.40
P/E ratio ell 24.5	97 25.09	25.82	25.87	25.92	18.17	25,14	18.14
Beld Mines 233	235.8	231.0	220.8	217.4	89.3	249.2	2.08
tior 1983. Ordinary share Gold Mines Index since of Besis Ordinary shire 1/75	gangilation high	h. 734.7 15	high 2414 1/2/83- tou	1,2 31/8/93 1 43.6 26/1	- kpw -49. 10/?1	A 28/6/40	

Open	9.00	16.00	11.00	12.08	13.06	14,00	15.00	16.00	طوالا	l com
2335.2	2336.8	2334.1	2325.8	2318.4	2320.8	2323.6	2320.6	2323.0	2338.0	2317.2
Volume		3	lar 8	Hor 5	No	W 4	Nov 3	Nov	2 1	(31. 95)
SEAQ 839	galist	3	0,357	33,679	29,	765	29,509	28,9		27,628
Equity To	THE PARTY (E)	叫		1739.0	17	28.5	1283.0	1580		1134.1
Equity By	realnet		•	36,673	20,	2.77	33,244	33.9	88	30,484
Starret t	aded in	0t	-	628,6		25	352.5	571	8.	508.0
+ South ref	ee laba-c	narket bu	e especie	rd overse:	to home	_			_	

London report and latest Starre Index Tel. 0891 123001. Calla charged at 36p/minute cheep rate. 48p at all other times

EQUITY FUTURES AND OPTIONS TRADING

STOP-LOSS selling in the stock index futures sector helped to restrain the equity market yesterday, writes Terry

Byland. The December FT-SE 100 contract fell to a discount both against the cash market and the index's estimated fair value premium as traders sold out futures positions built up at the market's peak.

Such positions are traditionally subject to "stop-loss" market levels at which the trader can sell out his client's position, and it was these safeguards which sprang into action yesterday. December was at a discount for most of the session and at its low point stood at a 7-point

discount to cash and around

18 discount to fair value, now

the 81/2 to 10-point area. The contract steadied to close at a discount of around one point to the cash market, or 11 to fair value, after heavy turnover of 13,707 lots. Most business came from independent traders.

Traded options were less active than on Friday, with contracts dipping to 43,626 reports on marketing tactics.

estimated by some houses in from 64,958 and the FT-SE option down from 37,017 to 23,750. The Euro FT-SE option saw 6,633 contracts trans-acted. Individual stock options were headed by J. Sainsbury as investors continued to reshape portfolios in the light of increased price competition in the sector. Pisons (1,102 lots) reflected adverse press

Shares in Wardle Storeys. the plastics and safety equipment manufacturer, fell 17 to 431p after the company announced that profits from its cash pile had been eaten into by the steady reduction in UK base rates over the past year. Wardle was also unenthusiastic about future prospects. It said it was difficult to see how there could be any improvement in economic conditions in the UK when the company's main overseas market continental Europe, was in such disarray and any improvements in results would be in spite of market conditions rather than

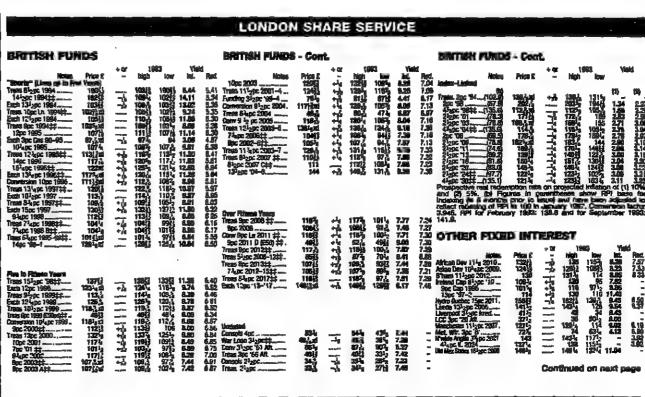
Other statistics, Page 24

because of them. MARKET REPORTERS: Christopher Price, Peter John.

3077,6 -	0.6			440.7]	- (152	2.14	-5.06	В
		l Day's				Year	Districtions	Eurologs	P/E	74 10	_
	Nov 8	change %	Nov 5	Hov 4	May 3	200	yield %	yield %	Ratio	yta .	F
T-SE 100	3077.6			21 <i>4</i> 9.0	3162.3	2695 4	3.83	5.64	22.01	84.58	
T-SE Med 250	3440.7 3664 4	_		3500.4	3517.3	2580.4	3.53	5.76	21.11	85.77	
7-SE Mid 250 es lay Trusts 7-SE-A 390				3501.8	3517.1	2585.2	3.64	£ 18	19 85	87.90	_
	1535.0			1558.6	1576.4	13017	2.76	5.67	21.68	41-35	
7-SE SmallCap 7-SE SmallCap ex lev Tranta	1777,35 1764,69		1784.57	1799.51	1804.85	-	3.10	3.82	35.85	38.64	
T-A ALL-SHARE	1522.14			1723.11	1767.22		3.36	4.24	33.48	48.85	
1-M ALL'SEARE	132214	-03	1527.20	1554.54	1561,19	1275.44	3.72	5.55	22.36	40.50	
". (APITAL G0005(215)	1060.21	-0.4	1064.91	1077.29	1076,99	780.34)	3.26	3,96	23.10	30.39	ľ
Cauding Minerals (28)	1189.82		1196.53	1209.92	1210.68	783.91	3.85	2.90	50.21	32.05	-
5 December Communication (2)	1817.14	-12	1029.65	1047,29	1051.12	584 31	3.12	1,23	20.007	74.92	- 1
4 Decreasion	2964 38		2386.05	2997,32	2978.62	2115.94	156	3.58	34,33	165,60	
8 200 0,000	ZE62_17		2683.18	2938.20	2341.05	5133762	3.05	5.81	21.05	65 47	
6 Engineering-Aerospace(/)	459.25		458.38	466,50	463.86	277.22	3.15	*	*	12,12	
Etypeerusy-General/91	628.95		628.76	629.87	629.93	439.16	3.46	5.40	22.48	15.39	
2 Martin & Mest Forming(9) 6 Martins			481.85	481.95	482.29	278.67	2.26	*	3	7.84	1
i Stander. S Standards	451.30 2075.49		451.95 2083.27	45 <u>2.0</u> 1	453.91 2110.37	319 50 1803.65	4 90	4.05	34.18	19,41	11
				2114.53	-		4 78	6.01	19.64	71 65	
CONSTRUCT CROUP(240)	1663.98		1570 41	1703.09	1702.76	1657 49	3.55	5.76	17.87	40.87	
C Stewers and Desilvers(25)	1801 31	-0.2	1804.12	1856.03	1885 45	1958 60	4,14	8.52	TABLE	46.54	
5 Foot Manufactureng@4 6 Foot Residen 171	1322.53 2326.57		1322.56	1344.45 2388.15	1362.52	1272.38	3.86	7.17	16.59	34.63	1
E Fact Retailing 171 T Haston & Household (3))	3556.02	-15	2344.52 3619.48	3682.44	2432.75 3688.71	2879.21 4305.09	5.83	11.17 5.47	11.12	61.00 88.89	
High at Indiana.	1302.51	~0.9	1405.44	1428.23	1427.17	1118.91	4,23	5 90	21.21	53.05	1
thesasa,	2193.37	-0.5	2205.91	2234.87	2233.90	1641.82	2.35	4.55	25.98	38.30	Ý
Packaging and Package	874.21	-0.5	878.45	291.02	896.01	755.83	3.40	5.31	22.75	22.68	ï
Services	1290.14	-0.3	1286.99	1307.66	1504.31	1679-21	2.68	5.49	25.95	24 77	1
5 7equeu00	550.65	-0.3	862.91	878.47	880.33	698.55	3.52	5.43	23.20	22.30	i
CITYER GROUPS(143)	1653.42		1653,43	1685-00	1703.09	1355.01	3.36	9.88	17.62	44,71	,
Business Services:271	1616.10	+0.8	1608.48	1623.40	1629.80	1421.15	2.79	7.37	16.42	32.73	11
5 Catacatasa	1537 73	-0.7	1548 92	1865.74	1582.18	1338.83	4.25	0.38	10-4	47.87	1
2 Constant (1)	1590.22		1590.17	1671.21	1622.58	1340.25	4.83	6.59	17,11	4.57	i
Transport 6	3210.87	-0.6	3231.05	3264.35	3281.34	2544.78	3.61	4.05	28.18	BB.51	18
Eschen(17)	2135.89	+0.2	2132.45	2172.82	2190.57	1465.34	3.71	10.01	11.71	83.87	1
Text Land Networks	2012.66	-0.4	2020,79	2058.16	2105.49	1553.87	3.45	6.21	1976	34.58	1
Age:13)	3573.31	-1.7	3635.92	3696.99	3763.02	3220,72	4.98	13.00	9,14	106 71	- 11
Waterenst?")	2448 43	+28	2381.34	2456.96	2484.12	2355.70	4,57	7.51	15.94	83.58	11
DOUSTRIAL BROUPSON	1520.00	-0.3	1526.28	1553.28	1561.35	1341.37	3.78	6.23	19.59	39.74	XI
04 & Gree17;	2806,13	+0.2	2799.76	2849,67	2620.01	2119.61	4.02	5.69	21.06	84.22	12
1500 SHAPE INDEXISTS	1630.72	-0.3	1635.31	1983.37	1669.33			E/12	1024		_
						1414,17	3,79			43.34	11
PRINCIPLE ORGUPATI	1176.23	-06	1186.5á	1207.75	1217.50	645.40	3.97	3,19	45.56	13 65	13
Seriestin	1636.44	-0.7	1847.79	1671.75	1626.58	1182,99	3.29	3.89	35.89	45.27	14
incurance (Life)(8)	2069.33	-61	2070.49	2137.04	2159.07	1834.64	4,44	4.54	5.13	73 50	12
Insurance (Composite(7)	701-29	-0.4	704.10	723.00	727.85	678.98	4.81			28 34	11
Insurance Brokers(10)	963.89	+0.2	962.16		871.07	749.23	4.54	4.84	30.16	26.42	H
Merchen Barrier(i)	840.08	-0.6	844.94	855.84	865.00	475.36	2.75	5.44	21.7	15.40	17
Property:30)	1067.53	-13	1081.97	1099.58	1104.08	603.40	11.00	1.76	34.63	23.57	17
Other Francisco	480 81	-04	452.25	489 75	463.98	282.12	3.54	5.19	23,43	10.95	1
Investment Trusta(111)	1706.60	-0.1	1706.40	1745.91	1760.02	1239.35	241	1.93	51.40	30.05	13
FT-A ALL-SHARE(817)	1822,14	-0,3	1527.20	1564.54	1661.78	1276,441	3.72	6.55	22.36	40.50	11
ourly movement	1.00	10.00	11.00	****	19.65	44.00	48.04	18 44	منو أ		
Open c		_		12.00	18,00	14.00	18.00	10,10	1	Vary I.	
SE 108 3090.8 SE MM 250 3456.6	3094.3 3459.0	3090.6 3454.0	30/9.3 3448.2	3068.0	3071.4	3078.3	3440.1	3079.0			306
-95-A 380 1542.8		1542.3	1537.4	3437.2	3437.0 1533.2	3437,5 1636,2	3440,1 1633.9	3435.5 1535.3			343 153
ng at FT-SE 100 high; 8.55mm i	out 11.31ess										_
r-SE Actuaries 3 ny Gen 130	350 ind	luetry i 11.00	Baske 12.00	ta 1240	14.00	15,00	18.1	G 65		sken	_
	_								-+-		
netros 1945.6 1945.8		1928,6 1084.7	1921.4	1820.9	1920,9					51.0	-3
eith#.		1487.0	1000.5 1474.0	1001.2 1475.1	1084.8 1475.2					688.6 500.6	-1
fer 1,000 a 1,000 a							4 1474	1671			-2
der 1498.8 1499.8 alas 2006.1 2007.3		1100	1977.3	1978,0	1980.4			_		002.0	-13

Actuaries Share Indices

FT-SE MID 250



CROSSWORD

No.8,301 Set by QUARK

ACROSS 4 The advantage of a cer-tain hair-style? (6,8) 10 A cad's gone about brag-

ging (9)
11 Commonplace name held by idol (5) 12 The excursion set off (4) 13 One of the 1 across 4 for mobility (7,3)

15 See 18 d 16 Call for midsummer ball in 19 Get back Ecu or penny in

21 Dandy going about with ribbon around head (7) 23 Self-esteem returns in con-sequence, commonsense affected material in process

29 The man's to rest, the worker's not so sure (8) 30 The explanation regarding a certain issue (6)

1 Exile of passing interest (8)
2 Establish an organisation for promotion of education etc (9) 3 End of washing line to

extend (4) 5 Excuses from river drill in writing (7) 6 After accident, men taken to include doctor in built-up area (10) 7 Form of architecture: one

with unusual icon (5) 8 1 across 4 would be additional to this (6) 9 Fancy ribbon? (6)

coming from within (10) (10) 25 Some notice taken of the 17 The elusive qualities of ustener (4) public individuals (9)

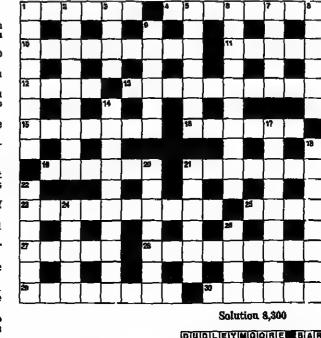
27 Relax playing lute and 18 and 15 across One of the 1 piano (3,2)

28 Sec 2 down 20 One of the 1 retirement (7) 21 Wound is gathering, we

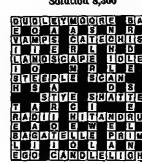
> 22 and 28 across One of the 1 across 4 for medical care 24 Nothing in Ted's make-up

hear (6)

shows excessive fondness 26 insubstantial cut cheese (4)



JOTTER PAD



charge £0.5m FINANCIAL TIMES TUESDAY NOVEMBER 9 1993 LONDON SHARE SERVICE Prices + 6"
110½ -1 1
125½ -2
155 -1
155 -1
155 +2
22 --1758 --- 1
1758 --- 1
277 -13
220 ---993 Mil 990 Capên 98 132 98 132 111 S29 129 2058 129 2058 131 219 111 2225 131 212 131 212 131 212 141 225 151 272 151 272 151 272 152 372 153 372 154 153 155 271 158 271 | 1906 | 1907 | 1908 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | 1909 | | 1983 | LCC | 196 | Ent. | Motes | 145 | 593 | 40 | 61 | Lypertees | Fill | Motes | 145 | 593 | 40 | 61 | Lypertees | Fill | Motes | 145 | 593 | 40 | 61 | Lypertees | Fill | Motes | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 + or 1993 - hegh | min -1 119 18 -17, 5501, 19 -1 578 58 -7, 5263, 557, -8, 58 18 Max Yea Capim Grs 10.5 7.8 6,730 3.5 220.5 0.3 708.7 2.4 71.8 5.5 700 64.3 17.1 1,254 145.5 40.2 40.2 80.0 4.11 6.63 56.8 | W | Color | 284 400 104-2 105 155 155 155 185 12221 +19 +2 +9 +10 -18 +3 539 972 80 380 53 238 693 201 325.5 1,132 14.9 87,9 51.9 37.0 65.0 34.4 12 TELEPHONE NETWORKS METALS & METAL FORMING 134 Notes Prop 12 21 458 Notes 93 186 by Ceffin 376 28,299 3345 18,297 £165 717.3 £317, 239.3 917 48.5 562 671.5 465 611.2 367 6,472 1993 + 2 10 Main | - hys - hys - 17 (78) - 1 (28) - 1 (28) - 1 (120) - 1 (120) - 1 (120) - 745 - 585 514 -61 214-1 1010 950 254 -55 114sd 1127g 350 762 950 84 597g 1107g 1,400 TH 4,705 3.9 2.50 11.1 481.9 3.6 150.5 2.1 48.4 --21.6 --1,300 2.1 113 --- 60 --- 84 10 71 18 56 7.85 1.7 3.57 2.6 3.98 II 78.7 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 | 180 Processing of the Control of the Con -1.6 223 -232 567 -1.6 223 -232 567 -1.7 1067 -1.7 1067 -1.8 1067 200.5 8
5.001 8
1.221 4
221 4
221 4
221 201 8
1.10 8
1.20 1
24.0 1
24.0 2
24.0 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 2
25.4 OTHER FINANCIAL | Peter | Pete INVESTMENT COMPANIES 152.5 1.25 1.25 1.25 154 164.2 164.2 161.2 13 Mid. low Capital 349 884.7 498 18,257 707 4,488 £87,7 249 3,675 1281₉ 800.4 £41₄ 8,882 77 3,178 185 128.4 185 128.4 190 13 1 21₂ 176 186 177 789 195 1964 1864 117 119 281 90 111. 784 200 513 84 80 90 25 125 44 80 JF Precipe age V

Warmerie
Warmerie
JF Jesen OTO Int
Warmerie
JF Precipe Wett
Warmerie
Jesen Warmeri
Marmerie
Jesen Warmeri
Jesen Jesen J

J

Jesen J

J

J

J

J

J

J

J

J

J

J

J 222 1220 11 1013 44 1137 222 1220 160 44837 160 4483 147 21,8 24 8,06 41 11,4 280-1,137 250 1,423 134 123,1 134 123,1 134 123,1 137 123,1 137 123,1 137 123,1 137 123,1 137 123,1 137 123,1 137 123,1 138 123,1 139 123,1 139 123,1 130 123,1 131 123,1 132 123,1 133 123,1 134 123,1 135 123,1 137 123,1 1 210 14.6 14.1 11 19.8 年代 新沙河 医环络斯勒氏性细胞环样性细胞溶液性 计可可控计 18.7 Minoedamona
18.7 Minoedamona
Angessy
19.5 Calegorate
19.9 Calegorate
19.9 Calegorate
19.4 Case Range
17.4 Case Range
17.4 Case Range
18.5 Case Case
18.6 Case
18. | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 248 243 487 488 487 184 128 7018 128 0.70 0.70 0.70 0.70 Contemporary commissioners are shown of an inage used for the PT-Acquartus indices and FT-Acquartus World indices.

Closing pold-prices are shown in pencer unlant adherence stellad. Higher and loads are based on intra-day sale-prices.

Where suchs are demonstrated in currencies other than sterling, jais in interest of the commission o +# Price 464 878 406 578 573 587 585 515 628 511 542 MEDIA SOUTH AFRICANS + or 1993 - high - 103 1 - 104 1 - 107 1 - 108 1 - 306 1086 - 790 1 - 388 93 Med low CapEng £712 778.5 £512 1,227 48 7.57 68 3.82 70 150.5 215 1,690 753 5,382 513 978.4 212 277.7 764 PE 53 11.1 54 36 12.8 9.5 14.4 \$ 1.3 - 5.5 27 16.9 24 15.1 3.8 10.9 Price £13 \$674 99 150 274 985 650 371 Anglo Ant Ind. 233
Bartow Rand. 524
Bart Same And a Yield based on annualised divisional Pilpures placed on properties or other of Party select or ctricul estimates lor 1953-94 if in Figures based on other Vesalina Esmings' draft arcocals. Prigures' based on prespectus or after official estimates for 1994. If Forecast armunification properties or after official estimates, the figures assumed. When forem figures, Z Dwiderd yalid to date. + or 1993 blot You
- bigh low CapEm 6r4
-1 06 35 20.5 2.6
-1 76 62 32.3 1.9
-1 67 27 6900 4.1
-1 70 24 176.3 5.1
-1 75 18 44.5 1.8
-1 75 41 26.3 3.5 610 810 325 Albernalgilane: ME ex chadand; ME ex scrip issue; ME to tights, ME ex alt; ME to capital distributi + or 1983 Mai Yid Price - Mgh low Castin 8's 882 + 12 789 120 18,1 -145 -20 270 54 24,1 -582 -1 671 150 156,8 4,9 75 75 45 1.19 -FT Free Annual Reports Service
You can obtain the current annual/Interim report of
any company annotated with \$\frac{1}{2}\$. Fing 081 643
7181 (open 24 hours including weekends) or fax
081 770 3822, quoting the code FT7498. [If calling
from outside UK, dial +44 81 643 7181 or fax +44
81 770 3822] Reports will be sent the next working day, subject to availability. If faxing please
remember to state the weekly changing FT code
above and also your post code.

FT Cityline
Up-to-the-second share prices are available by
telephone from the FT Cityline service. See
Monday's share price pages for details.
An international service is available for callers
outside the UK, annual subscription 2250 stg.
Cell 071-873 4378 (+44 71 873 4378, International) --- 1 --- 48 --- 65 +7 281 +3 182 -18 1890 +10 137 --- 29 +15 1029 6.24 6.02 47.5 78.9 16.9 479.3 1.81 1.81 0¹2 18 18 47 49 332 25 4 333 1983 1994 72/2 2 37 2 37 31 33 12 321 2 35 \$1 124 12h 177 123 125 54 765 465 374 694 1988 188 871 165 913 604 425 913 2188 42.5 82.7 184.4 85.6 1,540 431.9 438.9 86.0 511.2

Govett

Emerging double in

£30m isa

in Provide Transfer

100 C 100

A TENNEY OF THE STATE OF THE ST

7. J.

2.3

ALAMASIN.

 $h(\mu_1,\mu_2)$

Cell 071-873 4378 (+44 71 873 4378, International)

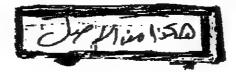
FT Cityline Unit Trust Prices are mail.	able over the talephone. Call the FT Citylin	FT MA	NAGED FUN	DS SERVICE			
AUTHORISED	基础是 2017	e Helip Coult on (475) \$73 4578 for more details. 是,能 就 就 就	M. Dan IN Str. 15 MM				bel Come Bin. Since of Brid
UNIT TRUSTS	Corport - Corpor	The state of the s	L Distance to Control			Their Ministers Lin (1400) 107 Street, Laglant Schaller 107 Street, Laglant Schaller 108 Line Line 2, 117, 128, 171, 181 110 Line 2, 117, 117, 117, 117, 117, 117, 117, 1	in in invest devices (in parties print) plan, 65 subject 5, 570 stor (77)-500 pt 1 plan, 65 subject 5, 570 stor (77)-500 pt 1 print (70, 5) 100 7 stor (70) 100 pt 1 print (70, 5) 100 7 stor (70) 100 pt 1 print (70, 5) 100 7 stor (70) 100 pt 1 print (70) 1
AM Out Trust Russesses Limited (1900) 19 Between Fel, thirties, Senior Life 1972 0005 Server All Other America 5 1025 104 Day 1722 400 From AM Order Endy 2 2228 2228 2024 701 18	Apperture A Gran	Middly Investment Sures Ltd (1200)F 33, Tolkridge Rg. Tolkridge Ritt 1 gift March Fried Bland (100) 47-1917 Baylor Stating- Sults over 1 65 St Sure 1			O. W. Charles Trainers, Expended Series, 200 and Parell Series, Control of Series, Contro	The control of the	200 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1
AN GOUNGE ENG. 6 1873 1885 1885 1885 1886 1886 1886 1886 1886	Access United 5 (French 5 (20.10 401.50 407.50 -2.50 1.67 44.50 (1.67 4.50 1.67	The first	A CANADA THE CONTROL OF T	40 40 40 40 40 40 00 10 10 10 10 10 10 10 10 10 10 10 10	or bridge of the state of the s		Prosper Group (MATH) Repair No. 1985
Trinord Inc	Construction	The control			1961 1661 2717 439 0.07 Pember Open	The state of the s	
March Marc	Ar James Cont on 1900 the Yest Management of Coupled Houses Wolf. Tel: Majors (1200)67 Capital Houses, Planting Squares, Similarys. 801-225 477.					Change 1 1 12 1 12 2 12 12 12 12 12 12 12 12 1	10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
PO TRANSPORT AND STATE OF THE ADMINISTRATION	American Control Tal		of Manual 1 lef sharper - 1800 learneds to			County Co. C	20 10 10 10 10 10 10 10 10 10 10 10 10 10
M Harberton M. Serramon 124, 17722 The 5 Court of 124 1814 1814 1815 1815 1815 1815 1815 181	As becomes — 6 24.47 24.67 26.07 - 1.05 (4.54 14.54 14.55 14	The state of the		Harry Lis (1000) 051-000 july 1000 j			10 10 10 10 10 10 10 10
Conduct France and interest the second of the second	Table Com	Francisco Control of the control of		CAR - Organization State - Carlotte - Carlotte		Section Feb. 171-9 180-92 191	100 100 100 100 100 100 100 100 100 100
1224 1324 1314 41 -	THE PARTY OF THE P		Clark Tel Mayor Let (2400) F	A Shapes Car Charles of the Carles of the Ca	100 2010 10100 100 010 010 010 010 010 010		Corden (2) 100 100 100 100 100 100 100 100 100 10
Printed & Green 6 SEL77 SELECT SELECT AND	## Mark Managam List Francisch Brown Stability 100	The second team of the second te			# 1042 1042 1042 1047 - 1739	i their Treast Magaze Lief (1924) Park of Challes Challes Park of Challes Pa	
Albertoris Linit Trent Lineagure Lid (1900): 14 Maries S. Licheary Berl 1997 (67 - 425 pres) 14 Maries S. Licheary Berl 1997 (67 - 425 pres) 15 None Con. — 01 1897 1897 (67) 16 Owner Terror, Maries Maria (1900) 16 Owner Terror, Maries Maria (1900) 16 Maries Periodo — 0 1812 (5 16 pr. 10.1) (1900) 17 Maries Periodo — 0 1812 (5 16 pr. 10.1) (1900) 18 Maries Periodo — 0 1812 (5 16 pr. 10.1) (1900) 18 Maries	Others Fish are 9 8 1866 1866 1875 287 Others Fish are 9 8 1866 1866 1875 287 Di Hamby Swow 9 8 77.54 78.60 86.60 188	The second secon	15: 15:00 12:05: 15:00 - 40: 17:05: 10:00 Years. 5- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 5- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 + 40: 12:00 parameter for the common treat. 6- 25:00 277:20 25:20 parameter for the common treat. 6- 25:00 277:20 25:20 parameter for the common treat. 6- 25:00 277:20 25:20 parameter for the common treat.		Contract Con		The control of the
Dept.	Commune Particle 5 72.00 72.00 84.60 4.30 5398 84.60 4.30 5390 84.60 64.00 5390 84.60 64.00	"GR - Mr. Ingure relevated No. 1 - 200 5 500 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	The state of the s	177.00 77.00 00 00 00 00 00 00 00 00 00 00 00 00	ing hall 4 4 _mann m.1445	a York OT Shages (1800) Comment of the Comment of	10 10 10 10 10 10 10 10 10 10 10 10 10 1
Hard two Pat	Contany Unit Trusto Ltd (1408)* 5 Cid Sully, Landon EC44 794. \$7 -132 diam.	on the property of 130 130 120 120 120 120 120 120 120 120 120 12		4 0 0 MF 2 27 M	Transport of the state of the s	Color Colo	50 1917 2012 1 101
The County of th	Right 15 (note, for the 2001, Bernstepel, Behm (241,2 10) publicatif - 461 por freeling is Manual street - 6 (402) por freeling is Manual street - 6 (402) stree		1 00 4 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	### ##################################	The Tribe September 120 (1807) The Marie September 120 (1807) The Marie September 120 (1808)	
# 1	UK heconds	From Harmon	For the state of t	6 7850 1850 1833 183 183 183 183 183 183 183 183 18	led to Hill bit had the period Lid (1988) and the Language Lid (1988) and her Language Lid (1988)		
Panel Sement	Annu Effect IV. 9 1445 4 4 4 1 14 1 14 1 14 1 14 1 14 1	The second section of the second seco			Appel		
20 25 Arctive Spanies, Schlessifts 1975 (1971 der 1-40) 2021 British Gestellt 1- 5-5 (1420 52) 2021 1000 1000 1- 2275 British America 14- 5-6 (1420 52) 2021 1000 1000 1- 2775 British America 14- 5-6 (1420 52) 2021 1000 1000 1000 1000 All Characteristic 15-5 (1420 52) 2021 1000 1000 1000 1000 1000 1000 10	Of Pa. Japan	Street St	772 775 773 477 147				7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7
Bilanus Water	Control of the Contro	Numerous Form 57 All 1 A	2 20.1 20.0 20.0 20.1 20.1 20.1 20.1 20.	a see draw and street the later Capacit	mi juntur Ana. a 1114 214 215 215 215 115 170 180 170 180 170 180 170 180 170 180 170 180 170 180 170 180 170 180 170 180 170 170 170 170 170 170 170 170 170 17	The control of the	THE TIME TO SELECT
Street Street, ot draw ones completely on	Silv of London Unit Tel Mayor Lift (1900) 1 10 Sentimes, London, 1928 (AL) 1 100 100 100 1100 1100 1100 1100 110	Markon Harrish 5 54,77 M.77 G.19 4.72 G.19 M.72 G.19 M.72 G.19 M.73			The state of the s	offer that Treat Managed Line (1200)	
The second sec	Transport Code 1 March			127.0 127.0 198.0 54.0 18.0 18.0 18.0 18.0 18.0 18.0 18.0 18		rd	Audministrative (1) Tel Supra List (1) (2) (2) (3) (4) (4) (4) (4) (4) (4) (4) (4) (4) (4
	No.		THE REPORT OF THE PARTY OF THE	102.50 102.50 102.51 102.50 102.51 102.50 10	Total	Part Note to the Part of the Company of the Part of the Company of	
Mark Mark & Colors 165 145,5 145,5 146,5 1	Account Hutter Hat Name Let (1200)F	Trust	THE PARTY OF THE P		Regional Glade Managers Lad (1400) 5 Population States, Regional States (1477) Regional States (1478) Regional States (1478	50 105.20 113.00 12.00 1	b Egyphatia Pd Mayon List (1900)61 100 044420 100 04
Factorists			THE COLUMN TWO COLUMN TO THE COLUMN TWO COLU		left Tyrnel Magyrs (1200) Purismouth Pur		CAS 0.5 CAS 1-0.2 CAS 1-0.
	### 1 100.00 100.	SALE SALE SALE SALE SALE TO Be \$10, College T	Tel Manuac Lei (1972) Giff 1 10 10 10 10 10 10 10 10 10 10 10 10 1	15 15 15 15 15 15 15 15 15 15 15 15 15 1		Michell Control of the Control of th	
Finders Princeton, 31 State of the State of Carolina State of Caro	Austria recommenda de la seria del seria del seria de la seria de la seria de la seria del seria d	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	The State State State of County In State of Con And State of Con And State of County In State of Con And State of County In Sta	- 05 108 OLS W.15 - L.10 61 Person		100	100 100 100 100 100 100 100 100 100 100
12 1 12 1 12 1 12 1 1 1 1 1 1 1 1 1 1 1	ECONOMISMO	Principle (Sec.) 146/h	To State State And Column Research			THE RESERVE AND ADDRESS OF THE PARTY OF THE	Commission 5 1962 2064 1 - 1 - 6 75 1 - 1 - 6 75 1 - 1 - 6 75 1 - 1 - 6 75 1 - 6 7 - 6
Charles Com		Access Table 14 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				그는 그 등을 물살 것이 되었다. 점점이	
35 Cares St. Lucius, 15:48 181 071-488 6175 18		** Saniship Cal 6 197.55 107.54 194.55 10 0.00 10	Will state the state of the sta	二甲酚 遊 海河 化		# two be \$4. 44.1 44.12 41.51 43.6 2.00 10 10 10 10 10 10 10 10 10 10 10 10 1	
Burnet Fresh Burnet Mayer Worth # #8 15 86.00 94.00 - 10.00 Burnet Starty State 66.01 166.01 100.01 - 10.00 Burnet Starty State 66.01 166.01 100.01 - 10.00 Burnet Starty State 66.01 100.000	Transport Series 5 (2.00 a.5.1 a.5.0	State, 14th Past, 12th Lincoln Blad, Laurina Staty Sale, September Funds	2017 on real state of real case				2
Parties Follows 3 State State State -1 244	THE PARTY NAMED AND POST OF THE PARTY NAMED AND PARTY NAMED AN		10 10 10 10 10 10 10 10		International Conference Conferen	Manufacture of the state of the	Powerhand for Mar Las (1988)
	70 57 68 44 10 10 10 10 10 10 10 10 10 10 10 10 10	A 101 9 20 10 10 10 10 10 10 10 10 10 10 10 10 10	2017 13 2713 2713 2713 2713 2713 2713 2713		The state of the s	Address and Addres	Wildows Proof March 1992 - 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Carlo Car	Impara Bonta 2 74.50 74.50 74.50 74.51 13 15			0 872 6726 726 682 0 0 72 87 600 0 1700 1700 1700 1701 172 87 600 0 1700 1700 1700 1701 172 87 600 0 1700 1700 1700 1701 1701 87 600 1 710 1700 1700 1700 1700 1700 1700 1 710 1700 1700 1700 1700 1700 1700	Test Acc 7 (1) 101		
200 100 - W 100 100 100 100 100 100 100 100 100 1	September 17 27 27 27 28 28 28 28 28 28 28 28 28 28 28 28 28	A Designation of the 1977/0 1977/0 127/0 128/0 - 20 (0.00) A section Control of the 1977/0 1977/0 128/	5 [\$5.77 \$6.67 \$1.07 A\$1 = \$0.000 \$1.000	THE TAX AND A SECOND SE	a Con Ma. 15	Com.	
1		FORTH 1 12 12 12 12 12 12 12 12 12 12 12 12 1	to from Couples MI - 600 and Marie Urbs -			**************************************	
And Recognition 1. An extended 1. An	The state of the s	home the 24 724 Subscript from		. A 4777 (Cin 7: To - 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	he 25. 15.10 High St.71 486 in 44 179 179 1	Freeze, 8 19427 19427 29437 1236 133 https://doi.org/10.1016/1	Eathern Found Monat Ltd (1200) 77 28700 No. France Comments. East- 277 28700 No. France Comments. East- 277 28700 No. France Comments. East- 277 28700 No. France Comments. No. France Comments. Burnt C.) & Co. (1000) Bur
Rearing Fund Humagers LAS (1200)/ FU See 154, Processor, Rent SEC 480) But 480 9000	## Biologyana, Lamin #220 255 67 -110 9177 100 100 100 100 100 100 100 100 100 1		의 전체 (10년 전체 14년 10월 명보 Harts, Hart	of the sea			100 100 000 000 000 000 000 000 000 000
Committee 9 0 96.11 56.11 6 86.11 4.62 5 7 6 7 6 7 6 7 6 7 6 7 6 7 6 7 6 7 6 7			THE TRANSPORT OF THE PROPERTY		Vennet St. Landon St. Color Copp 440000 Bandy Av	1 100 100 100 100 100 100 100 100 100 1	45 Unit 7 year Magazi Lin (1900) 1 mar 1
1	Access 05 in 1 1 1 1 2 1 2 1 2 2		les se sulantes de la			Fig. 40 300 100 100 100 100 100 100 100 100 10	Principalities UT Migrat List (1000) - Backerbury 1004 117
(II: Growth III: 10 177 177 177 178 177	Frank Challenberry \$1.53 740 MAZ 677 State 1	1/40 1/2/2	1 76 G 76 G 76 G 1-1 B 12 A 1 B 1 B 1 B 1 B 1 B 1 B 1 B 1 B 1 B 1	-0 1402 1402 1403 - 440 P0 801 1	The life is a second	(Au) - 94 MTA0 MTA0 MTA0 AM 0.70 1 MMag Po 9 M0 - 94 19175 W1750 1750 - 1.00 3.30 1 MMag Po 9 W1759 27750 20471-0.70 - 8.4 WAS	COM P \$ 100.0 207.1 207.4 -0.1 6-01
Flinchstone Preste UT Mayra List (2000) 19-34 OR Speed, Laster ECV 94. 677-200 2000 in 19-34 OR Speed List (2004) for the Grant Particle in \$1,7544 Speed List (2004) for the Grant Particle Acc., \$1,79 Speed Speed Speed List (2004) for the Grant Particle Acc., \$1,79 Speed Speed Speed List (2004) for the Grant Particle Acc., \$1,79 Speed Speed Speed List (2004) for the Grant Particle Acc., \$1,79 Speed Speed Speed List (2004) for the Grant Particle Acc., \$1,79 Speed Speed List (2004) for the Grant Particle Acc., \$1,79 Speed Speed Speed List (2004) for the Grant Particle Acc., \$1,79 Speed Speed List (2004) for the Grant Particle Acc., \$1,79 Speed Speed Speed Speed List (2004) for the Grant Particle Acc., \$1,79 Speed Spee		Age and the second seco	Color Colo				
Brevelo Dolphin Unit Tat Migra Ltd (0806)* 6 Others St. Landon PC/A 606 ary—250 pane	## (2007 200 Ann	Date: 14 2/4 2/2 2/5 /de - Papel Novem. 9	Mile State Mile State Page 18 Star Page 1	100 100 100 100 100 100 100 100 100 100	2252 27731 24735 - GET (1.34 BERTON)		Mil. Representation of the second
Property Let of Verice 10 1 1 1 1 1 1 1 1	17 12 16 12 16 12 16 12 16 12 16 12 16 12 16 12 16 12 16 12 16 16	The state of the s	114 114 114 114	e to pricing of Author	rised Unit Trusts	S-2 14 14 14 14 14 1	### 100
Department of Paris Pr CS 32 (CS 2014) CS 2014	mary income — 1 (2.7) Cu. 7 (2.8) - Cu. 2 (2.8) Cu. 2 (2.8) Cu. 3	The state of the s	7.05 7.05 7.05 4.05 4.15 4.15 4.15 4.15 4.15 4.15 4.15 4.1	ed with the engisterace of Leads CHARGE: Charge enter on aim of the b to delay marketing and the b to could, including continuous gold prices. This charge is included in the	C-conf.	Principles (St. Call. Principles and the Control of	A 25 25 25 25 25 15 15 15 15 15 15 15 15 15 15 15 15 15
69 Acres	THE RESERVE THE PARTY OF T		OFFER P	RICE: Alm called imme price. The best to pails are bought by knowlers.	PURIC PRICERS: The latter fit densities the stansgars will recently duel on the out of the state of control recent valuable. The induced are the latest appealing to the stansgars will recently appealing on the latest appealing and way not be the control dealing as a stansgar of an information portion. The enterprice control recently appealing an appealing and appealing an appealing and appealing an appeal	079 30000 Outling F79 30000 (Light) Colored Co	MAR - 77 2014 201 1927 - 11 (2) 1
Harrage Unit Tal Manager Ltd (Emisser 117 Ferdands D. Louder (CDM SAL. (Fr-40) 7216) E stort Dend Gir			THE TAX NOT LIKE IN THE CASE OF	ATION PRICE: The relations!	of early than. WARD PRICING: The latter F department in the processor of	CHAIR OF BUILDING TO THE SALE SALE	Mile Citat Manual I of Prance
1 150.4 152.9 -0.00 1.00 150.4 152.9 -0.00 1.00 150	Control of the Contro	E European Ing. 5 19427 19732 19477 230 1 European Aug 5 19274 19274 19240 240 Amagines Ing. 5 19277 19277 1924 240 Amagines Ing. 5 19277 19277 1927	That Migra Clas (Mixing) The Tat Migra Clas (Mixing) But other and formula laid 1 (20) 1/20 1/20 1/20 1/20 1/20 1/20 1/20 1/20		an later or expected to this britishing in some in the con-	to Calculate City (St.)	
Data Access 81,209U 3NA 12511-3314.65 %	refi Admissor \$ 172.27 112.00 19834 - 4244 1245 - 4444 1244 - 4444 1244 1244 1244 1244	For Earl Inc. V	<u> </u>	ange ann, palaur. Si 18 manga 2016 ji 18 palla amatan manan	p Starp food remarkes. 750 St Man	For Phose UT Group Ltd (1200)	79 - 1 型/ W/ 20 4 19
Common Lincoln Pd Magra Ltd (1200)P1 1 Cymer Mir, Marchell, 1990 BB 881-962 5870 Common State (1200) State 981-962 5870 Common State (1200)				three shown stagache has tand were to the of the vall traffic films and the stagache of the stagache of absorption has indicated out and specials are as follows: (9) - 0001 to	Application makes any applicate in the Control of Control	within 1703 Chi Mar -02 land Paters their	
Company Comp	Inter Found Manageme Life (1400): Carbonal Wed, Smile 201 108 Carbonal Wed, Smile 201 Carbonal Wed, Smile 201 Carbonal Wed, Smile 201 Carbonal Wed, Smile 20	German 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	THE REAL PLAN CASE AND GASE IN THE SECOND PARTY OF THE SECOND PART	to incomplete the impletant of the lambda see as followed the impletant of the period for the impletant of t	To American and Dall Trust- latory Organization, 1804 A 180 ISS Anni Lin 1804 A 180 ISS A 180 IS		184 184
		·					



.

Contract (C.S.)

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (FT MANAGED FU	NDS SERVICE	
He Other our Yield Report Repo		Ma.	The According According Tourish County Tourish Coun
Deptile Acc F		Corr & Barel	7.12 - Acade (1984) 1984 1
Deposits Description	20.5 760.5 - 3	TO CHARLE VI. 1. 1.05	Late Arrivers (190.25) (47.74
1950 - 1950 113.7 - Walkholds Performance, 146.4 147.8 - 42.8 - 43.9 - 43.9 - 43.9 - 43.9 - 43.9 - 43.9 - 43.9	301.6	MAGEMENT SERVICES MAGEMENT SERV	In a limit house the limit of t
Regist Refittings Unit Assumance List	ALS 30.14 -0.6 PM Scienter & South 2 (1) 100 1.1523 -0.009 -0.007 PM Scienter & Scienter 2 (1) 100 1.1525 -0.009 -0.007 PM Scienter 4 Scienter 3 (1) 100 1.1525 -0.009 -0.007 PM Scienter 4	## 6	Description Part Description Descrip
Property for 0	### (Franch Co	A Braffmenha Lad Braffmenha L	1.22
Butteriore Stabl Ser S. 2828 2828 48 100 28	77.08 427.08	170.0 180.0 -23 180.0 -23 180.0 -23 180.0 18	ISLE OF MAN (SB RECOGNSED)
Company Comp	1	Section 1998	All
Symbol S	Pris Unit 100 100 100 100 100 100 100 100 100 10	Text	1 1 1 1 1 1 1 1 1 1
Bargett	Co Lad Planetto Waterrellonal Lid Po So, 181, G Pater Fast, Concessor Water Science Sc	Fig 100	TAGE Stand On B.
Page Life Life Page	1.		THE SAME AND THE SAME DATE OF MAN (REBULATED)(**) THE SAME AND THE SAME DATE OF MAN (REBULATED)(**) THE SAME DATE OF THE SA
Control Cont	Company Line Company	FSHORE AND /ERSEAS / AND /ERSE	22 23 24 25 25 25 25 25 25 25
Service Serv	Auto 122.05 - 4.39 - Ignamic Preset High Yeal, Prest 22.40 Photology 1.00 -	According to Acco	Of Technology A
Page	10 04.00 10 10 10 10 10 10 10	10 10 10 10 10 10 10 10	Apine formitter 1.251 1.25
Ching Chin	1.3 280.6 CURT band interpart 40.229 4.640 INF Area 1.3 280.6 Sig Manny 161 CURT band 161 4.62 4.620 INF Area 1.4 280.6 Sig Manny 161 CURT from 161 4.62 4.62 4.62 4.62 4.62 4.62 4.62 4.62	2716A - 1416A	The state of the s
130.5 40.7 -0.73 Provide Reter Initial 201.5 201.5 -0.2 Clare 10.2 Clare		Price for dealing Recomber 0 Street to March 19 100 100 100 100 100 100 100 100 100	Secretary Control of the Control of
Property	1 2013	Section 1 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1	TRELAND (RESULATED)(***) 10.72 1
Petrix	SURANCES THE STATE OF THE STATE	ALVA (SB RECOGNECI) All Common and Common a	Compared Control Compared Co
Pers No. 1964 2015	The Appendence Co. Control of Nation Con	THOSE T (SIE BEAUGNESS) Laurd Food Money (C) Lid Laurd Food Money (C	Total Warren St.00 24.65 +0.86 o.m Coulds & Co (Jorsey) Fund Managers Ltd.
UK Copty	17.496	10 10 10 10 10 10 10 10	Section Sect
10 10 10 10 10 10 10 10	### Appendix SAM 5 First	Section Sect	Color Colo
Constraint February	The content of the	Company Comp	
-			



Street Street

Money Market

Trust Funds

27 LP 27 C

一語 語 語 置

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGE

Dollar disappointment

THE DOLLAR failed to rise against the D-Mark in European trading yesterday, lan-guishing near the bottom of its DMI.65-DMI.70 range, writes Emma Tucker.

Its performance disappointed dollar bulls who were hoping to see the currency build on last week's promising perfor-

With interest rates in Ger-many set to decline further towards the end of this year. and faster US growth encour-aging talk of monetary tighten-ing by the Fed, many investors believe that the dollar's next move will be upwards.

There were no particular rea-

sons for the currency's sluggishness yesterday. Some dealers attributed it to the continued effects of profit-taking that followed the dollar's brief foray through DM1.70 last

News that German M3 was revised down to an annual rate of 6.8 per cent from a provi-sional 7 per cent had little effect on the market. However, the revision moved M3's annualised growth rate closer to the top of it 4.5-6.5 target range and helped to reinforce expec-tations that rates in Germany will come down towards the end of the year, or early in

£1	IN M	EAL A	08	BK
N=1	تنا	tion!		Province Class
2 Spot 3 months 12 months	0.82	1,4815 -0.33pm -0.80pm -2.32pm	0	835-1,4845 L33-0,32pm 81-0,79pm 38-2,37pm
Forward premi dular		discounts MC III		
		Nov :	à	Provious
8.30 am 9.90 am 10.00 am 71.00 pm 1.00 pm 2.00 pm 2.00 pm 4.00 pm		80.7 80.7 80.7 80.6 80.6 80.5 80.5		80.8 80.8 80.8 80.8 80.8 80.8 80.8
CUR	REN	CY R	AT	ES
liav 8	Benk # Feb	Special Denoting Rights		Europeur † Cumercy Unit
Sterring U.S. Order Comparin S Austries Sch Belgion Frage Double Know Double Guider French Frage French Frage Hellon Lot Japanete Ven Market Vote	100 463 525 600 7.25 5.75 5.75 4.5	0.834420 1.58112 1.78113 16.5850 80.3852 8.40312 2.35600 2.64017 1.2037 1.8040.91 1.8040.91	l	0.767297 1,13674 1,47379 13,5656 40,7255 7,53038 1,5252 2,15489 6,67361 1908,61 122,882 4,3658

CURRENCY MOVEMENTS

I Rank of | Morrows **

New II	Englished Index	Gueranty Changes %
Starling LLS Dollar	80.5 66.1 93.2 114.6 112.1 114.4 114.7 114.2 119.7 106.8 77.8 180.4 87.6	-28.68 -11.40 -2.74 +18.57 -1.54 +2.25 +22.25 +22.25 +23.25 -2.75 -3.46 +121.01 -32.84
Morgan Guera 1980-1982-100. Average 1986-100)	Barok of En	alund (Base
OTHER CU	RAENG	ES

Hoy 8	2	- 8
Argentini	1.4806 - 1.4810	
Australia Brazii	278.50 - 270.616	
Friend		A7385 - 5.74
Greeze		
Hong Tong .	11,4580 - 11,4595	7.7.66 - 7.72
-		1653.00 - 1669
Acresiani	1197 10 - 1197.25	0.2000 - 0.25
LICENSE		25.00 - 32.9
Melopsia		2.9560 - 2.56
Mexico	4.0700 - AUTO	3.1495 - 3.15
Linted .	272M = 2786	14365 - 1.84
Sandi Ar		3,7905 · 3,75 1,5930 · 1,59
Singapore S.Af (Ciri)		1350 135
LA FOL	6.7946 - 6.7985	43750 - A.B
Talwan	31.03 - 30.00	3.55 - 77.9
LAE	5.4465 - 5.4470	25725 + 2.67

"The dollar closed in Long at DM1.6850 compared within its Friday's close of DM1.6915. target range by the end of the year," said Mr Paul Chertkow, of UBS. "Then we will see the Bundesbank focus on the real economy, rather than monetary aggregates and that will fuel speculation on interest rate cuts."

Inflation figures in the US today could trigger a rise in the dollar, although Mr Avi-nash Persaud at JP Morgan says it is still too early for the Fed to consider an increase in

"I think we are in a long-term bull track for the dollar, but the markets have to sense that the Fed, when it makes its first move, has plenty of excuses," he said. He believes that the current picture coming from the US of fast growth but subdued inflation, does not provide the Fed with the necessary background for a tightening of policy.

The dollar closed in Lond at DM1.6850 compared w Trading in European curre

cies was uneventful. T pound was weaker against t D-Mark which was margina stronger virtually across t off economic statistics showi that prices of manufactur goods are rising at a slow rate than two months ag while consumer borrowi ond successive month. Sterli closed down two pfennigs DM2.4950. Against the dollar closed a touch softer at \$1.48 compared with Friday

The Belgian franc w slightly firmer against ti D-Mark closing at BFr31. compared with the close BFr21.35 at the end of la week. The French franc close at FFr3.479 against the D-Ma compared with FFr3.475 on F

	EM	S EVA			_		MIN	T RATE	EŜ	
		Cente Rate	4 1	Contency Amounts prince Eco Mov &		Change from lastrol flate	l wa	Windust Carroncy	Diagram (
Dutch Guilder 2.19572 G-Mark 19494 Sportish Posita 154.290 Frish Punt 0.880830 Portuguene Estantio 192.854 French Frant 0.2123 Portuguene Estantio 192.854 French Frant 7.43879 French Frant 7.43879			964 250 628 123 654 863	1 92052 153.915 8 808343 40.7836 196.779 8.67381		-1.87 -1.49 -0.22 -0.21 1.37 2.83 2.95 2.80		1.22 1.58 0.53		2 1 10 10 14 17
Scul control rates set by the Europhyr Commission, Currencies are in descurates relative strength. Purcentage changes are for East a positive change describe a wash currency. Divergency above the nate between two species the parameter directions between the school market and East commission of the currency resulted processing described of the currency resulted and two the East capital case. Standards only, Divergence Indicators are based on 16% based limitations and do not also the CLESS based features the Docksh School market from 16% based limitations and do not also the CLESS based features the Docksh School market from 16% based limitations and do not also the control of the CLESS based features.										
POL	JMD	SPOT	∞ FOR	WAR	DA	BAIN	_			
jtov 8		gread	Close		One o	Pointh .	P-1	(Teres	_	PA.
US Carcola Carcola Methorismde Belgiust Gennrark Gennrark Gennrark Gennrark Gennrary Portugal Spatra Granus Gennrary Gennrary Fortugal Gennrary Mennrary Men	1.517 5.747 9.910 1.044 1.042 2.544 1.007 1.571 1.903 1.742 1.742	00 - 1.4060 75 - 1.8255 75 - 1.8255 75 - 1.8255 75 - 1.8255 80 - 10.0150 81 - 2.1140 80 - 259.80 80 - 244.50 80 - 10.1250 80 - 10.12	ELECT - 1 1.04Mi - 1 2.4825 - 1 254.00 / 1	1.5200 2.00/1 53.10 8.5000 1.0400 1.0400 1.0400 1.0400 1.0400 1.0400 1.0400 1.0400 1.0400 1.0400 1.0400 1.0400 1.0400 1.0400 1.0400	1284 11142 0.844 88- 77- 14-31	32cos LTram - Lodia - 15cdia - 15cdia - 15cdia - 15cdia - 15cdia - 15cdia 16cdia - 16cdia - 190m 190dia - 16cdia - 16cdia	2.07 1.53 -0.54 -2.94 -2.96 -0.90 -6.28 -2.08 -1.30 -2.08 -1.30 -2.08 -1.30 -2.08 -1.30 -1	296-1 213-2 213-2 213-2 23-2 23-2 23-2 23-2	43de 43de 17,de 11de 11de 22de 17,de 27,de	217 1.34 4.54 2.50 2.50 4.76 -0.00 -5.61 -4.52 -4.53 -4.51 -4.51 -4.51 -4.51 -4.50 -4.51 -
40-2 30pm	ates to	SPOT		ngon trad	ing. Sh-	nemin for		1,A7-1.4	apm . 1	
Nov 8		Shuters Coline	Chase		One m	-	D.A.	There are a second		% p.3.
1 4790 - 1 4890 1 4890 1 4890 1 4890 1 4890 1 4890 1 4890 2 47										
	-	URO-C	URIALE	NCY	INTE	RES	T R	ATES	_	_
Mo t			7 Days notice	1	One ionite	Tire		Str.	0	ina ina
nuda.	-	11 - 1	575 . 85	_		48 1	\rightarrow	62 - 51	_	

	0 - 1.4890 3 - 1.4145	1,4800 + 1,461 1,4080 - 1,408	0.40-0.3	330m 3.3	1,08-1,	Clan 25	White Month Euromanic "
Canado	5 - 1,930 5 - 36.06 5 - 36.06 5 - 1,635 6 - 1,745 6 - 1,735 0 - 1,459 1 - 1,00 1 - 7,3430 0 - 5,844 0 - 1,925 0 - 1,4840 0 - 1,1390	1.255 - 1.20 1.555 - 36.95 1.555 - 36.95 1.555 - 36.95 1.72.45 - 1.66 1.72.45 - 1.72 1.35.00 - 15.1 1.644.30 - 1.64 7.3250 - 7.330 1.655 - 1.65 1.650 - 10.1 1.75 1.650 - 1.65 1.75 1.650 - 1.65 1.75 1.650 - 1.65 1.75 1.650 - 1.65 1.75 1.650 - 1.65 1.75 1.650 - 1.65 1.75	5 d.(1-d.) 0.47-0.1 18:05-18:1 2.75-16:1 2.75-16:1 18:0-18:1 18:1-15:1 18:1-1 18:1 18:	Jacks -1 11 Stocks -2,89 Stocks -4,86 Stocks -4,86 Stocks -7,56 Stocks -7,56 Stocks -7,56 Stocks -7,56 Stocks -1,96 Stocks	8 4-0 1 13-1 2 100-48 7.70-	30de -0.83 1.06 -0.83 1.06 -0.72 2.0de -0.73 1.0de -0.73 2.0de -0.00 2.0de -0.	Jan 1th power of 10275 Close High Dec S1.E5 S1.E5 Bitar 94.34 94.57 Juni Br. E5 95.01 Sep Br. E7 95.30 Selfmated volume 60223 (88 Previous day's open int. 712 Timez ladorth gpr BOS in points of 1005 Dec 93.82 \$3.07 Alter 93.82 \$3.84 Juli 94.31 94.32
Forecast presidente s		URRENC					Previous day's open int. 320
Mo t	ittet	7 Days	One	Ticse	Sex	One Tear	SFR 1m points of 1975 Close High
Starting US Doller Can. Doller Dusch Guider Swess Franc	8 ¹ 4 - 8 3·5 · 2 2 4·5 · 4·4 4·5 · 4·4 4·5 · 4·5 4·5 · 6·5 7·6 · 6·5 7·6 · 6·5	10 51 51 51 51 51 51 51 51 51 51 51 51 51	######################################	Montes 513 - 524 324 - 424 624 - 624 424 - 624 624 - 624 624 - 624	100000 100 - 500 100 - 500 100 - 500 100 - 600 100 - 600	30 St.	Dat 95.58 95.59 Mar 96.06 96.06 Jun 96.30 96.31 Set 96.43 96.43 Eatlmated volume 4004 (814) Printing day's open Int. 331
D-Kark. Franc. Franc. Hallan Liral. Belgian Franc. Ven. Carich (Ven.	97 - 95 24 - 25 31 - 75 31 ₂ - 21 ₂	7 64 94 64 94 64 24 22 84 8 34 24 104 84	部 · 解	50 50 24 23 1 75	854 854 854 855 874 725 714 725 714 725 714 725	512 · 512 55 · 64 74 · 7 24 · 24 75 · 7 44 · 34	THREE MONTH EDHOLIAN INT. R LIBA 1,000m points of 100% Close High Oec 91,25 91,35 Mer 91,94 92,04 Jun 92,32 92,42
Spendah Pendah Pertaguasa Esta Lang Inon Buredulars Sia-Sili per cent non	11 - 11 - 11 - 11 - 11 - 11 - 11 - 11	11% - 11%	12-11-1	gly - gl _e flig - 11ig : per cont, four y spensors flot, c	97 - 94 11 - 10% 11 - 10%	0% - 6% 10% - 10% rout: the years notice.	Sep 92.53 92.99 Extended volume 7555 1566 Previous day's open int. 1092 FT-SE 160 WIDEX 825 per half index point
	NEX!	CHANGE	CROSE	RATE	5		Close High Oec 3078.0 3105.0 3 Mar 3095.0 3101.6 3
Nov.i E	8 D44	Ten F St.	8 Pr. N.FR	. Lim	CS B Fr.	Pts. Etc.	Jen 3105.8 Estimated volume 13749 (27)
8 0.875 100 0.401 101 0.401 10	Alli 2.496 1 1.665 584 1 256 15.59 706 2.874 674 1.135 558 0.890 508 1.025 772 1.300 792 4.703 741 1.248 412 2.378	180.0 1.680 108.0 5.851 64.13 3.478 1000. 54.25 184.3 10. 72.78 3.949 57.08 3.087 65.74 3.588 83.36 4.523 901.6 16.36 80.04 4.342 152.5 8.275	2,195 2,800 1,484 1,883 0,581 1,122 13,74 17,52 2,832 3,222 1 1,227 1,784 1 0,903 1,153 1,145 1,465 4,143 5,28 1,100 1,403 2,095 2,677	3 7843 1. 1 975.6 0. 2 15213 1 1 5204 2. 3 1107 0. 888.4 0 2 1000. 0. 1 1258 1. 4 4585 2. 2 1218 0. 2 8550 1.	873 24.14 685 16.93 788 21.80 1 27.84 617 100. 860 26.54 829 50.57	190.0 1.049 135.0 0.708 10.12 0.420 10.19 0.556 230.3 1.209 90.95 0.477 71.32 0.374 82.13 0.431 104.2 0.547 100.0 0.555 190.8 1.977	Previous day's open int. 671 * Controls staded on APT Closing POLICED - DOLLAR FT FIRESE SUSPENSE BATES
Yen per 1,800; Fit	nch ffr. per 1	8: Ura per 1,0	Oil: Belgiers fr	, per 100; P	tosta per 100		Spoil 1-coll. 3-coll. 1 4805 1,4772 1,4724

Ī	1	
	FINANCIAL FUTURE	
	LETTE LINE COLT PRIVATES OPTIONS SPO,000 (Final of 1977)	LIPPE SING STREE FRANC OFFICES STREET TO POINTS OF 100%
	Shike Calls-settlements Pois-colliarum's Price Use Mar Dec Har	Spiles Calle collegents Puts anticentals Price Dec Mar Dec Mar 9500 0.60 1.07 0.01 0.01
lon	111 2-27 2-32 9-07 1-12 112 1-36 2-13 9-16 1-37	9500 0.60 1.07 0.01 0.01 9625 0.35 0.83 0.02 0.02
lth	113 0-98 1-45 0-35 2-05 114 0-36 1-17 1-98 2-41 115 0-10 0-89 1-84 3-19 116 0-02 0-42 2-47 4-02	9860 0.12 0.59 0.04 0.05 9676 0.02 0.36 0.19 0.05 9800 0.01 0.17 0.43 0.11
en-	117 0-01 0-5 3-46 4-53	9625 0 0.07 0.07 0.26 9630 0 0.03 0.92 0.47
he	117 0-01 0-05 3-45 8-53 118 U 0-10 4-44 5-43 Epinated release tyle, Cale 2300 feb; 5570	9075 & 0.02 1,17 0.71 Galerated velocita table, Calle S Publ 6
the Ily	Proton day's open let. Calls (9821) Pula (1987)	Provious day's open Mr. Calls 2007 Pain 2150
the	LIFFE PURCHANNY COTTONS Did no points of 190%	LISTS COLUMN CONT., BOND (8TV) FUTURES
ed ing	Styles Cale-addressed Peta-millionesia	Spring Calle-authorizate Puls-authorizate
red	9125 0.00 1.29 0 0	Pricu Dec Mar Dec Mer 1125 1.71 2.85 0.42 1.77
go,	9350 0.36 1.05 0.01 0.01 8375 0.15 0.81 0.05 0.02 9400 0.04 0.59 0.19 0.65	1130 1.38 2.56 0.57 2.00 1136 1.68 2.32 0.77 2.24 1140 0.80 2.08 1.01 2.50
ng	9425 0.02 0.38 0.42 0.09 9450 0.01 0.22 0.86 0.18	1165 0.58 (L60 1.28 E75
ec- ing	9475 0 0.13 0.90 0.34 9600 0 0.06 1.15 0.52	1165 0.28 1.47 1.90 3.30 1160 0.21 1.30 2.42 3.72
at	Egilenghad vejlasing helidi, Callis 3811 Pydis 1175 Proplano day'n open 14. Callis 230000 Pydis 119268	Endigated veloció febil, Calle 5000 Pado 1857 Propiese day's good lef. Calle 55781 Pado 30419
it 805	LONDON (LIFTE)	CHECAGO
y's	538,800 32 sts of 100%	H.S. TREASHRY BORIOS (CRT) 8% \$100,000 32nda of 100%
ras	Clase High Law Prev. 113-10 113-20 113-04 113-06	Latest High Law Pres
he 26	Mar 112-20 112-27 112-17 112-16 Estimated volume 40677 (103518) Provious day's open les. 105202 (108588)	Mar 114-14 114-19 114-05 114-01
o£	Provides day's open III. 1052(2 (18585)	See 119-14 119-15 119-16 119-0
ast	\$80250,000 190/ba of 100%	Dec 111-2 Mar 111-0 Jun 110-0 Sep 110-0
ied urk	Close High Law Prov. Doc 90.34 99.49 98.30 98.36 Mar 99.45 98.61 99.43 99.50	Sep 110-05 Out 109-31 Mar 109-07
Ţİ-	Previous 927's open ks. 180635 (183758)	U.S. TREASURY BULLS (MAIN) Stan points of 100%
	NY MOTIONAL MEDIEN TERM SERVAN COVY.	
_	Clone High Low Prox. Des 102.47 102.53 102.43 102.41	Labort High Low Personal St.78
_	Mar 102.63 102.88 102.68 102.58 Enteraled volume 1299 (4355)	
	Province day's open lot. 25258 (25291) OK NOTHING, LONG TERM, JUPANIESE GORT,	BRITISH POLING (MIN) Se per S
_	Close Figh Lost	I client State Liver Door
	Dez 115.13 115.16 115.05 Mar 114.34 114.35 114.30	Nec 14792 14826 14784 14804 Nec 14740 14750 14750 14754 Jun 14870
	Estimated volume 1229 (2949) Traded exclusively on APT	SMESS FRUSIC (MESS)
	1294 MOTTOMAL PERSONAL GOVER, BOND (METP) *	SFr 125,000 \$ per SFr
	Close High Law Pass.	Dec 0.6726 0.8735 0.8686 0.8673 Nor 0.6710 0.5723 0.8886 0.8873 Nor 0.6710 0.5723 0.8886 0.8855
	Dec 113.79 114.63 113.68 113.94 Mar 113.58 114.40 113.60 113.76 Estimated volume 38568 (94507)	Jun - 0,6066
*	Previous day's open Int. 65721 (89322)	
_	10% MITTOMAL SPAINST GOTT. SOMO (MONES) Pia 28m 1000s et 100%	PHILADELPHIA SE 2/6 OPTIONS 231,260 (costs per 21)
	Close High Law Prev.	Steller Colle
17	A A	Strike Code Price Nov Dec Jan 1.426 6.68 9.67 6.12
.34 1.54 127	Province day's open int. () (0)	1.450 3.16 3.89 4.30 1.475 1.12 2.16 2.98 1.300 0.18 1.11 1.96
.S0 .76	THREE MONTH STERLING	1.526 • 0.46 1.27 1.536 • 0.16 0.70
	Close High Law No. Dec 94.49 94.50 194.47 94.48	1.575 0.05 0.36 Provious dev's open left Cyto 643,518 Pub
(A)	Dec 94.49 94.50 94.47 94.45 Mer M.68 94.69 94.65 94.65 Jun 94.73 86.74 94.70 94.71 Sep 94.67 94.90 94.64 94.65	Provious day's volume: Calle 15,429 Puls 1 PARTES
51 21 58	Dec #4,35 94.58 M.33 94.56	7 to 16 YEAR TOWN NOTWINGLE PROPERTY SEE
28	Est, Vol. (Inc., figs. not allown) 24395 (70156) Provious day's open Inc. 275123 (366048)	Open Set price Ches
原9	THREE MONTH FERODOLLAR ** Sing points of 100%	March 127.14 127.08 -0.
~	Close Elion Low Press.	June 128.56 126.48 -Q. Estimated velume 122,984 † Yotal Open Inte
-	Im 96.06 96.03 96.03 96.06	THREE-MONTH PIBOR PUTTINES (MATIF) (F
-	Est. Vol. dac, stat. not shown) 464 (904)	December BLAS 93.57 -0. March 94.44 94.45 -0.
_	Previous day's open let. 12317 (12197)	June IM.95 94.96 (4). September 95.20 95.25 (4).
17 95	TRIBEE MONTH EUROHABIK Will top points of 100%	Estimated valuate 39,986 † Total Opin Inter GAC-49 FUTURES (MATIF) Stock Jedec
条件ない	Occ B165 B165 93.62 93.63 Nor 94.54 94.57 94.53 94.52	Hovember 2104.0 2003.0 et
72 01	Dec 31.65 B1.65 93.82 93.83 BMT 94.94 94.57 94.53 94.52 94.52 94.52 94.52 95.27 94.52 95.27 96.27 95.28 95.27 96.27 95.38 95.35 95.37	December 2115.0 21ML5 40 January 2120.0 2118.0 40
01 91 A4 66	Dec 95.36 95.39 95.35 95.37 Settmented websites (\$1223 (\$88077)	March 2140.0 2137.0 46 Estimated volume 16,716 † Total Open Inter
	Estimated volume 60223 (88907) Previous day's open int. 712633 (706280)	EST BAND (MATTE)
03 55 13 16	THREE MAINTH SCO SCIL Tan points of 180%	December 119.00 119.05 Essentiated Science 3,509 T Total Opens Milares
16	Onc 93.05 93.07 93.02 93.08 Nor 93.82 55.34 98.60 98.82	OPTION ON LONG-TISSE FRENCH BOND (M.
#5 GF.	Jun 94.31 94.32 Ph.BD 94.32 Sep Dil.D1 94.62 94.61 94.59	Saffus Dissector Response
~	Estimated volume 2719 (2079) Previous day's open int. 33063 (33120)	125 0.46 - 124 0.15 - 125 0.04 -
-	THE WHITE AND SHAPE FRANCE	126 - 4
-	SFR 1m points of 199%	127 - 1.87 Open int 207,018 84,768
-	Dec 95.58 95.59 95.56 95.57 Mer 96.06 96.06 96.04 95.05	Open Int 207,018 84,798 Estimated volume 54,782 † Total Open Inter † All Yold & Open Interest figures are for th
T.	Aut 96.30 96.31 96.28 M 30 Sep 96.43 96.43 96.40 96.43	
5	Entimated volume 4004 (8140) Previous day's open Int. 53185 (56169)	
PROPERTY.	TIBRE MONTH EUROLISA BIT. RATE LIKA 1,700m points of 100%	BASE LEN
7		Adam & Common & Common
3	TI-CV TI-CV TI-CI	Adam & Company 6 Duncen Law
ry, I	Mer 91.94 92.04 91.94 91.99 Jun 92.32 92.42 92.32 92.37	Affect Trust Bank
A A	Mer 91.94 92.94 91.94 31.99 Juni 92.32 92.42 92.32 92.37 Sep 92.53 92.59 92.53 92.57 Extraoled volume 7968 (8888)	Affect Trust Bank
Line A	Sep 92.53 92.59 92.53 92.57	Affect Trust Bank

	·	Deposit 0.00 = 1 3.7275
-	LISTS FERLAND GIFFY, BONCO (STY) PUTCHES GPTYCHES Ure 200m 1000m of 1995. STROUGH UPY SERVING OFTENS	Cent. Bd. of Fiz. of Church of Engineett 2 fore Street, Leader SCT SAI Decent. 8.72 3-40
-	Sinite Calls-Intillements Prin-edifferentia Strint Calls-nettionents Puts-edifferents	Gertmore Money Management List 16-15 Parament St. Leader Scart Sci. 871-236 14 18th Date
	Price Dec Mitr Dec Mor Price Dec Mer Dec Mar 125 1.71 2.85 0.42 1.77 9376 0.74 0.94 0 0.01 1130 1.38 2.54 0.57 2.00 9400 0.50 0.71 0.01 0.03 1135 1.58 2.32 0.77 2.24 9425 0.20 0.49 0.05 0.06	10-12 Department St. (1980) 2-15 2-1
	1140 0.80 2.08 1.01 2.50 9450 0.13 0.30 0.14 0.12	TESSA Dain
	1165 0.28 1.47 1.20 3.30 9625 9 0.04 0.76 0.61	1
	11(0) (L21 1.30 2.42 3.72 3550 0 0.02 1.01 11.64 Entirented website total. Calls 2505 Peda 1216	Money Market
	Provident day's open Inf. Colls 55781 Fulls 30419 Annahum day's open Inc. Colls 180858 Publ 144473 CONSCAGO	Bank Accounts
-	U.S. TREASINY BONDS (CRT) 8% JAPANESE YEN (RAN)	. Green Mad CAR And
W. 16	5100,000 32nda of 100%. Y12.5m 8 per Y100 Labest High Low Prev. Date: 116-22 118-58 115-10 115-13 Dec. 0.9273 0.9274 0.9228 0.9276	AIS Spain High Interest Cheque Account Belows Rt. Lichtigs LES 154 0000 3227
16	Dec 116-22 115-26 115-10 115-13 Dec 0.8273 0.8274 0.8228 0.8248 116-10 115-13 Dec 0.8273 0.8274 0.8228 0.8281 116-10 116-	PZ.500-CR.500 227 1.70 2.20 1:0,500 1.74 2.51 3.79
_		Afficent House Blank pile 30 Cay Rood, Landon ECTY ZMY. Desarry Account - in professional address 125,000-700,000 550 4,325 5.04 M 578,000 7 000 578 578 4,325 5.04 M
W.	Sep 112-15 112-15 112-10 112-05 Dec - 110-20 Dec - 100-20 Mar - 100-20 Dec - 100-20	125,000-049,000 5.00 4.125 8.66 500,000 or come 5.75 4.715 8.60 4 100 100 100 100 100 100 100 100 100
v. 66		
_	Sim points of 100%	All of Physic Contacts Late
_	Labor High Law Prev. Dat: 98.79 98.80 98.78 98.83 THERES-MONITH EMPLOYALIER (MEM)	10MA (2001) 797 98 78 78
11	Jun 96.30 98.41 96.30 96.30 Stim points or 100.70	Figure F
	Dec 98.43 96.44 96.40 96.42	Secretary District Hunty 194
-	Sep 95.76 95.77 95.73 96.73	Benefit Monte of State of the local Control of the Control
_	1,4740 1,4750 1,4750 1,4754 Jun 15,00 95,07 95,03 95,02	Right Profession County 1.50 2.00 1.50 2.00 1.50 2.00 1.50 2.00 1.50 2.00 1.50 2.00 1.50 2.00 1.50 2.00 1.50 2.00 1.50 2.00 1.50 2.00 1.50 1.50 2.00 1.50 1.
	SYNAMOUS & POORS FOR DIDING	
-	\$900 three lodes \$F7 125,000 \$ per \$F7	Heart of Iroland High Informal Chaque Act 31-40 High St, Sleegh SJ, 182, 21-40 High St, Sleegh SJ, 182, 210 Day - 14 SS, 2000 LASIN
K.	400 00 481 00 480 80 480 85	2,000 - 4,50 3,000 4,500 8,000
Ä	Dec 0.5725 U.5735 U.5858 0.8679	Basic of Scotland State 2014 ST-000 64 State 2012 State 2014 State 2014 State 2014 State 2015
_		Easts of Weige - Backson Accounts
-	PRILADELPHIA SE 2/6 OPTIONS E31,260 (coats per E1)	Bank of Weins - Besiness Accounts linguage, Cardin CP1 472 Count Account 255,000 - 4,05 - 4,07 - 4,07 - 1,011 h
••	Strike Cole Cole Phile Phile May Nov Dec Jan May	Barcispe, Select
	1.426 5.50 5.67 6.12 6.74 - 0.41 1.02 2.20 1.450 5.16 5.50 4.50 5.20 0.02 0.92 1.77 5.00	F2.000-F9.900 430 \$23 434 Yes
_	1 TAN N 18 144 486 786 489 499 420 580	
_	1.550 · 0.16 0.70 1.48 0.05 7.28 7.89 9.12 1.575 · 0.05 0.38 0.98 9.10 0.55 10.01 17.11	Barriage Prime Account N.J.C.A. PO Box (25. Horizontalia)
8	Provinces day's open int: Calle 643,518 Puts 802,224 (AF correspond) Provinces day's volume: Onlie 15,429 Puts 12,272 (AF correspond)	1.000-22.498 2.50 1.66 2.22 12.500-09.990 2.60 1.66 2.52 10.000-23.490 2.60 2.55 1.00 12.500-09.4400 2.60 2.55 1.00 1.000-23.490 2.60 2.55 1.00
1 6	PARS	Bresses Spipley & Co Ltd
ì	7 to 16 YEAR 10M NOTWINGLE MINISTER (MATER FUTURES) Open Sett price Change High Low † Yield † Open int	North Age 100 100
-	December 123.20 123.12 -0.14 123.30 123.04 - 184,805 March 127.14 127.06 -0.16 127.26 127.06 - 35.385	Caledonian Bank Pic S.R. Anton Same, Edistroph Bit 199 001 199-02 PC-Autonomous E.B. 4,126 - Ven
r. 2	June 128.56 128.48 -0.18 128.86 - 2.205 Calinated velume 122,004 † Yotal Open Internal 222,365	Color Allon Lid 55 Noble Line, Leader 829/901 671-900 pm
6	THREE-MONTH PROOF PUTTINES (MATTE) (Party Information officeral code)	Charact \$5,000 min. 5.00 3,76 \$.57 8 Charact \$5,000 min. 5.00 3,76 \$.57 8
1	December 50.65 93.57 -0.07 83.63 \$5.55 - 85.165 March 94.44 94.45 -0.04 94.45 94.43 - 73,738 June 04.95 94.95 -0.075 94.97 94.50 - 44.383	Charlestone Back Limited
-	September 95.20 95.25 +0.01 95.25 95.16 - 29,083 Estimated values 39,085 † Total Opin Interest 256,500	12:500-TH 500
<u>.</u>	CAC-49 FUTURES (MATIF) Stock lader:	
3	November 2104.0 2083.0 +6.0 2107.0 2083.0 - 35.051 December 2118.0 21MLE +6.5 2118.5 2098.0 - 35.355	\$100,000-e190,000 2.55 . 5.86 2.27 H \$200,000
7	Junuary 2128.0 2118.0 +6.0 2128.0 2128.0 - 20 Narch 2140.0 2127.0 +6.9 2140.0 2124.0 - 12,004	product 2005
	Extended volume 14,718 † Total Open Interest 87,782	Cycleschile Renit Healthy Scientist Acc 18 17 18 18 18 18 18 18
-	December 119.00 119.06 - 119.10 118.96 - 13,673 Enforced relative 3,509 f Total Opera Internet 12,723	
	OPTION ON LOW-TERM FRANCE DING (MATE)	The Co-executive Bank, 100 cost of the TOSA
2	Softes December Menth June December Menth June	Patentine - Card Dept (Consul Among) All Delectors - Card Consul All Consul All Consul Among Consultations (Consultations)
ø	128 0.46 0.57 1.01 0.32	235,000 - 14,000 - 136 - 136 - 137 - 136 - 137 -
-	125 0.04 - 1.87 0.51 - 126 0.81 -	25,000-25,000
	127 1.52 1.21 Dpin Int 207,018 64,798 470 182,295 75,838 850 Estimated volume 54,782 † Total Open Interest 556,898	1000-00-00 100 100 100 100 100 100 100 1
8	† All Yield & Open Interest figures are for the previous day,	
3		
.]	BASE LENDING RATES	
.	3 8 8	Reserved to the second
	Adem & Company 6 Outcom Lawrie 8 Nylvedt Mortgage Eink 6.5 Affect Trust Bank 6 Eveter Bank Limited 48est Brothers	FX an
,]	AIS Bank	24 HR 1
	Bank of Baroda 6 Girobank	MEMBER SFA Can now for to
	Barnic Cypnus	
	Barrix of Instand	NO MORE

LEFFE BUILD FUTURAL OPTIONS SM250,000 painly of 180%

Dec 1.37 0.82 0.54 0.27 0.112 0.05 0.03

1.81 1.46 1.15 0.86 0.88 0.48 0.34 0.24

Dec 0.03 0.08 0.29 0.75 0.75 1.69 2.18

0.36 0.51 0.70 0.90 1.63 1.69 2.29

Unity Trust Bank Plc ... 6 Western Trust Barclays Blank Brill Blk of Mild Seet.

FT LONDON INTERBANK FIXING

The fishing rates are the arithmetic means rounded to the netwest one-elictrement, of the bid and otherwal rates for \$10m quoted to the market by the reference barries at \$1,00 a.m. each working then, the buste are fishional Machinet Barrie, Basic of Toleyo, Deutsche Barrie, Barrique Medional die Parle and Mongan Guaranty Trund.

Lloyds Bank

(11,00 a.m. Mov.E) 3 Months US duties

liki 3½ offer 3½

Coulin & Co.

Credit Lyarmais Cyprus Popular i

E months Life (VAIII)

PM 212

RERKELEY FUTURES LIMITE &options 38 DOVER STREET, LONDON WIX 1RR TRADERS . TEL-071 689 1132 FAX: 071 455 0022

MEMBER SFA Call now for forther informer

PRESS FOR GOLD - 0839 35-35-25 Dial now for Gold and Silver prices, with 60 second updates 24 hours a day. Calls are charged at 36p/min cheap rate, 45p/min all other times. For details of the full range of financial information services from Futures Pager Ltd call 071-885 9400." **FUTURES PAGER**

FX and GOLD

24 HR DEALING

NO MORE DANCING!

SATQUOTE™ - Your single service for real time quotes.

Futures * Options * Stocks * Forex * News * Via Satellite

LONDON +71 329 3377 NEW YORK +212 2696636 FRANKFURT +4969 440071

167 Queen Victoria Street London EC4V 4BS

The state of the s



FOREXIA FAX \$ £ DAILY FOREIGN EXCHANGE COMMENTARIES, CHARTS, FORECASTS AND RECOMMENDATIONS Tel: +44 81 948 8316 from trial details

2 1	Currency Fax - FREE 2 W	eek triot
NoX X XOX XOX XOX ROX II	tion Chart Bridgish (cdf) 7 Swallow Street, Candon Wift 7HD, UK. exchange rate species sis for Over 20 years.	### Anne Whilby fel 071-734 7174 Fax 071-439 4956 0310484 Medical
-64 M	CURRENCY MANAGEMENT COM WINCHES TER HOUSE, 77 LONDON WA	POPATION PLC





MONEY MARKETS

Muted activity

A DOWNWARD revision in the rate of growth in Germany's M3 measure of the money supply boosted hopes of further monetary easing by the Bund-esbank by the end of the year, writes Peter Marsh.

The revision to the annualised growth rate in September to 6.8 per cent from 7 per cent was another signal that inflationary pressures in Germany may be abating. That should give the green light to the central bank for a further cut in its key interest rates either this mouth or next.

UK clearing bank base lending rate 6 per cent from Jampary 26, 1993

In Britain economists largely shrugged off figures from the Central Statistical Office showing a pick up in new consumer loans and lower than expected inflation at the level of factory goods.

The belief in markets continues to be that political pressures will push Mr Kenneth Clarke, the chancellor, into cutting bank base rates around the time of the Budget on November 30, to

offset a likely fiscal tightening. Partly in reaction to the revised M3 figures, the December Euro DM futures contract was quoted last night at 93.85 after opening at 93.83. This signified increased

expectations in financial markets that the Bundesbank will cut its internationally important Lombard and discount rates, now 6.75 per cent and 5.75 per cent respectively. Many investors think the central bank could act at one of its council. act at one of its council meetings in December.

icin stated of AFT. Closing galant them

1-cdt. 3-cdt. 6-cdt. 12-cdt. 1,4772 1,4724 1,4659 1,4576

In Bonn, Mr Eberhard Martini, president of the Federal Association of German Banks, added his weight to the conjecture over monetary easing by saying the Bundesbank had further scope for rate cuts. He said inflation would be at an average annualised rate of about 3 per cent next year, below this

In Britain money market activity was subdued with few analysts becoming wildly excited by the announcement that in the first nine months of this year, new consumer loans totalled £1.84bn, compared with £362m in the whole of last year and £1.06bn in 1991.

Mr Stephen Dorrell, financial secretary to the Treasury, took the figures as a further indication that the UK recovery is on track.

In the Bank of England's money market operations the Bank met a shortage of £ibn through routine bill purchases and by lending to the discount houses £440m in so-called "late

	1	MONE	Y RAT	ES		
NEW YORK			Treasury	Other and B	artik	
Linchtime Prime rate Broker loan rate ,	5	Two month Items man Six month One year	P1	3.22 Five 3.13 Sev 3.36 10- 3.54 80-	on your	5.07 5.31 5.71
Nov.8	Oversight	One Month	Septime 1	Times Months	Six Monting	Lorobard Intervention
randent Perio Custoh Cu	0-0.50 612-613 45-45 6.12-613 6.12-614 6.12-614 6.13-614 6.14-614	6.40-6.55 4-6-41 6.12-6.18 2-13-22 513-3 612-63 612-63	638-635	6.05-6.01 4.3-413 6.07-6.13 8-9/4 8/6-6/2	814-63 ₆	6.75 6.45
	LOND		ONEY	RATE	3	•
Hor 8	Oversig	School In	Ging Marsin	Timee Months	March	Year
derbank Offer derbank Bid Barting Cha.	54	31	54 54 54	25 25 27	52 53	3

7 54					4
l	51	57	657	62	25.55
24	26	54	i 54 i	54	55
er_	639	34	≥@	36	3/4
9-2	-54	295	≥19 <u> </u>	395	930
Rh	62.	1 [l - i	- 1	_
	**		1	- 1	-
- 1	_	613	احتدا	52.	52
- !	-	34.	a: I	32	
- 1	- 1	55	1 12 1	31	_
- 1	-		- 1		_
- 1	-	3.00	3.12	3.24	354
- 1		4 ¹ e	45	444	4
- 1	- 1	4	42.	311	35
- 1	- 1	70-	75	72	84
- 1	- 1	74	76	613	37a
	87 ₂	8½ S ₆	62 Sin	60 St.	602 Sign Sign Sign Sign Sign Sign Sign Sign

the party me-month 52, per cent three months 64 per cent Treasury Rist; America lander rate of decreast 5,9047 p.c. RESO, front State Seating Section Resonant Mantan. Marion up day October 20, 1983. Aprend cent of perfect the party of the party of the perfect that the perfect the perfect that t

CREDIT RATINGS on about 5,000 bond issues and about 1,300 short-term notes Cost: USS 4,500 per year To Millum & Co., Ltd. Dal-Ichi Mari Building 12-1, Night-Shimbianti 1-cham Minato-ku, Takyo 105, Japan er F.J. (2)-5472-8835 Please send further information Address **APPOINTMENTS ADVERTISING** appears in the UK edition every Wednesday & Thursday

Financial Information Service on Japanese Corporate Issuers

MIKUNI'S

For further information . please call:

and in the International edition every Friday.

Gareth Jones on 071 873 3199 Rachel Hicks on 071 873 4798 Philip Wrigley on 071 873 3351

And the second s

Ш

y		VEMBER 9 1993	M	ORLD STO	OCK MARKETS
### Assistan Arians	Agr 720 -720 -720 -720 -720 -720 -720 -720	DUM	Benefit Pis. Vis.	Servicible Ser	CANADA
JAPAN	West West	Bereinbar 6		Reservice Acades CARADIA Color Co	

1443年444年44444

MICE - Name or the pape on an quant or in building success and are made for longer subset. (a) assumed in the sub-tempreted, or in the subset of the sub-tries space, in its rail.

The subset of the subset of the subset of the sub-tries space to the subset of the subset of the subset of the sub-

MES? he topics he impli-FT. as many :wspaper ock EBRS 1491 LFR 12500 | Speak PTS 59300 DFL 550 | Sweden SEX 2390 MOK 2300 | Sweden SFR 680 ESC 57309 | Tubes TL 1390800 Separation No order accepted without a tequation FINANCIAL TIMES FAR MORE THAN FINANCE.

®

‡ +34

古古古 经经济经济 经专项方法 山 经持有日

7. 1

I Jim class November 8

- B -

| The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The | The THE CONTROL OF THE CO | Section | Sect

217, 181, Delha Sell
19 12 Delha Sell
19 19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha Sell
19 19 Delha S

- E -

- D -

151₃ 651₂ 121₃ 87₃ 122₃

180 Low Stack
344 254 SenPUL
1815 107 SenPUL
1815 107 SenPUL
1815 107 SenPUL
1815 107 SenPUL
1816 Correspon
184 374 SenPUL
181 374 SenPUL
181 254 SenPUL
181 254 SenPUL
181 254 SenPUL
181 254 SenPUL
182 254 SenPUL
182 254 SenPUL
183 SenPUL
183 SenPUL
183 SenPUL
184 SenPUL
185 SenPU 201₂ 187₂ HSQ Hamber 187₃ 23 H Kink ADR 187₄ 23 H Hamber 187₄ 23 H Hamber 187₅ 21 H H Hamber 187₅ 21 H

1444 10% 6% MA Cass
51% 53% MSM Mas
10% 53% MSM Mas
10% 54% MSM Mas
10% 54% MSM Mas
10% 54% MSM MSM MSM
10% 54% MSM MSM MSM
10% 54% MSM MSM MSM
10% 10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% MSM
10% 古いて かいかいしているながっ す 幸るるな しからかける しかるも 京 寺 2.32 6.2 15 1211 2.38 8.6 25 25 20 1 0.16 1.4 24 20 1 0.12 0.9 12 863 1 0.30 1.5 18 276 1 0.16 0.9 16 16 1 14.88 97.7 19 8337 1 0.35 2.3 17 79 1 0.17 1.6 13 222 1 1.14 11.1 361 1 1136 1342 1356 1756 1556 1654 1554 Michael
1572 Mandilip
1584 Membran
1584 蒋山 山 1912 1713 1412 1614 1014

15% 84. IA Ger
65. 314. IS EEE
184. 104. IS EE
2 14. IVY 128
2 14. IVY 128
2 15. IVY 128
3 15. IVY - 166 -| 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |

92. W 20. W ## \$5 12 12 14 15 15 15 15 16 16 17 -P-Q

中国中国中国中国中国中国中国

444 the to the same of the state of Jan J. 2014. Prophory B. Physiology B. Physiology B. 1814. 64 Plant Creati; 1814. 65 Plant Creati; 1814. 65 Prophyrod Str. 27 Physiology B. 1814. 65 Prophyrod Str. 27 Physiology B. 1814. 65 Prophyrod Str. 27 Pr のでは、 en sitte in destate a material State & states

22 SCE Blag SCE ANR / 34- Bairros 18-1, Biller Farr 18-1, Bairros 18-1, BE OUR GUEST. **SAS** RoyalHotel

المناوليون والمتاوية والالاء والامام المتواهوات والام

When you stay with us in BRUSSELS stay in touch - with vour complimentary copy of the FINANCIAL TIMES

11/2 PM insur 18/4 17/2 Paceton 17/2 28/2 Paceton 17/2 28/2 Paceton 18/4 18/4 Paceton

是代表的是一个企业,对于1000年的发展的企业,是一个1000年的,1000年的1000年的,1000年的

20 17% BP inp 16% 57% CM Priest 16% 51% CM Priest 16% 51% CM Priest 16% 51% CM Priest 16% 51% EM Priest 23 27% BP 44% 16% 51% BP 44.24 16% 51% BP 46.24 16% 51% BP 16% BP 16% 16% 51% BP 16% 16% 5 人名英西西 经工程的经济的经济的经济的经济的 有一个人的现在分词 山水 医神经神经病的 上海的 经设计的的经济的 化水石油 化异

中 人名英格兰 有事 化水子等人的人

401₂ 401₂ J River PF 401₂ 41 J River L 51₈ 1 J River L 525₈ 142₉ Jackpox Em 103₈ 41₉ Jackpox Em 103₈ 41₉ Jackpox Box 103₉ 3₉ Jackpox Box 105₈ 72₉ Lap Ob: 57₂ 452 J River PF 105 95 J R 0.68 4.5262 355 1

- K =

1 0.52 2.5 11 1087 2
0.66 4.0 13 5242 1
1.44 5.4 17 10
4.50 6.4 720 1
2.20 8.3 12 78 1
0.56 8.9 7 90
1.48 6.6 13 677 1
1.40 6.5 250 1
1.40 6.5 250 1
1.40 6.5 250 1
1.40 6.5 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40 1.2 15 250 1
1.40

- **J** -3.38 7.6 3.50 7.5

而是是这个人,我们是这个人的,我们也是一个人的,我们也是一个人的,我们也是一个人的,我们也是一个人的,我们也是一个人的,我们就是一个人们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是我们就是一个人的,我们就是我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的,我们就是一个人的

فيلو فيهلوا ي مابلا م المعاولية لو معافلا لمعافلا

44444 4

大 一大大小八十八

هائد والد 44444

经存在存在存在存在的 棒 水水水水水 水水 经上外外 水水水水 45 ᅸ

- 11 -

22 15¹2 5 Anda Rt 1.35 7.2 15 3 20¹4 14¹5 5000 15 Cp 0.32 2.2203 30¹5 20 595 Te 1.26 5.0 16 1 10²5 12²5 Sobies Park 1.75 11.0 11 1 14 5²5 Sobies Park 1.75 11.0 11 1 14 5²5 Sobies Park 1.75 11.0 11 1

古古古古

李本本本本部立 古古本山本本

23-3₈ 131₈ 141M R Digh 25-3₈ 195₈ K Mart 26-4₈ 185₈ NA Serroy 71 95 K Mart A.5 26-3₈ 207₈ Karneb Pf x 94₈ 25-3₈ Karneb Sr 34₈ 25-3₈ Karneb Sr 25-4₈ 21-3₈ Karneb Sr 111₈ 7 Kanter 27-3₈ 205₈ Ranghard 204₈ 16 Ranghard 215₈ 105₈ Ranghard 45 235₈ Ranghard 45 235₈ Ranghard 105₈ 10 Kannghard 100

FINANCIAL TIMES TUESDAY NOVEMBER 9 1993 COMPOSITE A NASDAQ NATIONAL MARKET | The companion | The companio DN. E 1988 High Low Last Come

122 291 675 655 554 1-5

100 10 7 7 7 4-4

124 027 78 23 27 25 25

104 14 461 5014 491 5014

155 12 501 0912 22 23

0.12 12 113 1514 1414 1514

1 14 21 85 85 85 85

10 020 30 11 1614 1614 1614 141

40 020 18 354 27 2514 25 4-14

46 655 124 1214 125 125 144

18 285 1074 1012 1012

36 8193 5534 52 5234 1-12 | K Sente; | 12 | 156 | 22 | 21 | 4 | 21 | 4 | 14 |
Kaman Op	0.44	5	734	9	67	9	9		
Kaman Op	0.55	13	1773	22	21	22	24		
Kaman Op	0.55	13	1773	22	21	22	24		
Kally Op	104	476	12	4	11	2	11	2	-14
Kally Sa	0.64	23	176	27	27	27	27	27	
Kenty Sa	0.64	23	176	27	27	27	27	27	
Kenty Sa	0.64	23	176	27	27	27	27	27	
Kenty Sa	0.64	23	176	27	27	27	27		
Kenty Sa	0.64	23	176	27	27	27			
Kenty Sa	0.64	23	18	3	3	3			
Kenty Sa	0.64	23	18	3	3	3			
Kenty Sa	0.64	23	18	3	3	3			
Kenty Sa	0.64	23	18	3	3	3			
Kenty Sa	0.64	23	33	32	32	4	4		
Kinstance	425	36	8	8	8	8	2	4	
Kinstance	425	36	8	8	8	8	2	4	
Kinstance	425	36	8	8	8	2	4		
Kinstance	425	36	8	8	8	2	4		
Kinstance	425	36	8	8	8				
Kinstance	425	36	8	8	8				
Kinstance	425	36	8	8	8				
Kinstance	425	36	8	8	8				
Kinstance	425	36	8	8	8				
Kinstance	425	36	8	8	8				
Kinstance	425	36	8	8	8				
Kinstance	425	36	8	8	8				
Kinstance	425	36	8	8					
Kinstance	425	36	8						
Kinstance	425	36	8						
Kinstance	425	36							
Kinstance	425	36							
Kinstance	425	36							
Kinstance	425	425							
Ki - R -在以外の日本日本日本日本日日日日本日本日 Fail Gry 17 22 844 6514 844 12 877 CD 024 7 36 642 653 652 444 6514 845 11 885 Sumptimes									
Summit lic
Summit lic
Summit lic
Sum Sport
Sumide
Swift Tra
Syttest inc
Syntamic
Syntamic
Syntamic
Syntamic
Syntamic
Syntamic
Systemics
Systemics
Systemics
Systemics
Systemics
Systemics
Systemics G III App SAIR App SAIR App Genote III Genot すず つずすずすすりゃりす • T • - T -0.50 2.3 24 163 0.76 2.3 7 89 0.54 5.5. 275 0.41 1.2 29 86 0.20 10.7 0 100 0.80 1.8 20 3180 14 15 15 14 15 15 15 15 15 16 15 15 4 TW Hidgs
T-Ced Sc
T-cove Pr
TBC Cp
TCA Cable
Techbels
Tec MAC Au Nach Fresh Nat Pizza Natizonoma Nat Compt Nat Compt Nat Compt Nat Compt Natizonoma Natizonom +12 وآب وا. - C -C Test
Cabot Med
Casschwps
CadenasCom
Casschwps
CadenasCom
Casschwps
CadenasCom
Casschwps
CandrosCom
Casschwps
CandrosCom
Casschwps
CandrosCom
Casschwps
Cas 4 *** *** * PRICES 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | # Bin E 100s 0 45 51 1 52 250 2 13 2100 4 26 208 15 174 215 0 11 14 215 Ments
Champion
Chiles
Chiri RdA
Cominco
Chiri RdA
Cominco
Conced RDA
Commant
Commant
Commant
Commant
Commant
Commant
Commant
Display
Compant
Display
Comp
Display Baselt Cola
Hastino Cola
Hastin 十十六 Name Cale
NY Ryan
Odeten A Colone
Odeten A Colone
Parint
Pet History
Phil Lip
Playany A
Pry Gard
Preside A
Regardera
Pac
Preside A
Regardera
Risde Preside A
Regardera
Risde No
Risde Risde
Taind
Tain Prots
Tolkiches
Thermodics
Therm 4 44 444 12 14 +24 ኋ - ป -********* * +√g +√g | Chartoys | 24 | 795 | 14\frac{1}{4} | 14\fra -0-含之 改計計 FFT Syst
CF Int
DIP Commiss
RS ford
RS 7575 74 74 74 +2 174 174 174 114 164 164 20 20 20 114 114 114 4 33 315 4 34 34 17 1344 0 13 0.20 13 30 0.26 14 2100 0.01 8 431 8 44 Charles Charles FSA Charles Continent <u>-1</u>; - V -43 296 u687₈ 681₂ 681₂ 681₂ 681₃ 6100 12 280 161₄ 141₄ 161₄ +11₂ 47 1316 3234 321₂ 321₄ 173₄ 181₄ 201₂ +13₄ 183 807 2334 231₂ 231₂ +13₄ 24 9907 137₈ 121₂ 13 +1₂ 104 8 20 521₂ 521₂ 521₂ +1₄ Valleytist Valiticst Vingrd Cell Ventione Vicorpites Ventiogic VLSI Tech Volvo & 12 18 14 12 小部分中午一日本中午中午中午中午日本中中午日午日十日 からなるとなるとないよ Paccar FeeDunkop Paccar FeeDunkop Paccar Paccar Paccar Pageber War Pageber Pageber Pageber War War Pageber Pageber Pageber Pageber Pageber Pageber Pageber War Pageber Pag - W -YOUR HOME OR OFFICE IN GERMANY. A subscription hand delivery is available in any one of 112 cities throughout Germany. We will deliver your daily copy of the FT to your home or to your office at no extra charge to you. If you would like more information about subscribing please call Karl Capp for further details on Frankfurt Tel: 0130 5351, Fax: 069 5964481. 4 Z1 566 1914 185, 1914 18 Jason W
Joseph To
Joseph T ********** 4821211 0.12 28 £100 0.13140 £100 50 552 18 846 16 525 0.80 11 277 50 514 524 +14 1 214 204 204 1 24 54 54 2 2 514 2 +14 5 52 54 54 -4 5 164 154 154 +1 7 2340224 234 +1 DSC Cor Sehiberg Dart Groo DetaSwact Dataties Dataecope - X - Y - Z
27 2434 39 38 384 +1;
4 553 65; 83; 65;
94 15 565 237; 234; 234
65 786 6 54 55; 1;
184 8 28 404 39 33 34;

out to Ina

bn

THE RESERVE OF THE PARTY OF THE

after a cautious start

Wall Street

AFTER an uneasy start yesterday morning, Wall Street regained its upward direction as investors surugged off a continued sell-off in long-dated bonds and focused instead on signs of more robust economic growth, writes Frank McGurty in New York.

At 1 pm, the Dow Jones Industrial Average was up 8.66 at 3.652.09. The more broadly based Standard & Poor's 500 was 1.25 ahead at 460.82, while the Amex composite rose 0.37 to 475.70. The Nasdaq composite showed a solid gain of 4.02

Trading volume on the New York Stock Exchange was 134m shares by 1 pm, and rises outnumbered declines by 1,117

The mood was decidedly cautious at the opening, as Wall Street looked ahead to this week's reports on producer and retail prices for October. With data expected to show an uptick in inflation, many investors were sitting on the sidelines, bracing themselves for a further increase in sell-off last week.

In the hond market, activity was light and prices were mixed with traders nervously awaiting the inflation data. The benchmark 30-year issue was down % at 1001, with the yield rising to 6.221 per cent. Prices at the short end of the maturity range were up slightly,

Despite the bond market's skittishness, there was some focus on the positive, with cyclical stocks, which are most sensitive to changes in the economy, showing some

In the automobile sector. Chrysler was \$1 higher at \$55%. Ford added \$% at \$61% and General Motors firmed by \$1/4 at \$48%.

In heavy equipment, Cummins Engine showed a \$1% advance to \$98%, while Caterpillar was \$% ahead at \$90%.
One of the session's most heavily traded issues was RJR Nabisco, which added \$% to \$6% after Bear Stearns upgraded the stock to a "speculative buy". Tobacco stocks surged on Friday on hopes of higher cigarette prices. Philip gains, slipping \$% to \$54%.

Paramount Communications climbed \$1% to \$81%. At the weekend. Viacom sweetened its bid for the entertainment company to \$80 a share, or

On the Amex, Viacom class-A shares were down \$% at \$57% and its class-B shares slipped \$2% to \$49%. QVC, which is under pressure to raise its competing offer, advanced \$1% to \$54%.

tor, Medco Containment Services rose \$1% to \$38% after the Federal Trade Commission announced that it would not challenge Merck's \$6m merger with the drug-distribution concern. Merck shares were \$%

TORONTO picked up after a weaker opening and by noon, was 10.22 higher at 4.212.25 in volume of 34.1m shares.

Among blue chip issues, Alcan traded C\$% lower at C\$25%, Imperial Oil was

Dow back on upgrade Bourses retrace ground after early rise

BOURSES made an attempt to recover from Friday's losses, but in the end they had to settle for equilibrium, writes Our

FRANKFURT exemplified the continental trend, the DAX index hitting an intraday high of 2,031.32 before subsiding to close 1.75 lower on the day at 2,010,81.

Turnover fell from DM8.5km to DM7.4km. Daimler, excited a month ago by its New York stock market debut, dropped another DM10.50 to DM712, DM59.50 below its high for the year, while BMW eased only 20 pfg to DM613.80 against a 1993 high of DM640. In retailing, Karstadt, rose

DM20 to DM617 on talk of a

merger between it and the Hertle store chain. Hard news, meanwhile, took Lufthansa up DM3 to DM155 on a third quarter profit and a more than halved 9-month operating loss. AMSTERDAM took a nega-

tive view of the details of Akzo's merger with Nobel Industries of Sweden. The shares closed down F1 12.10, or 6 per cent at F1 185.10 following their 11 per cent gain last week after good third quarter

Amiko Terazono in Tokyo. The 225-issue index gained

34.70 at 18,625.16 after a day's

low of 18,380.84 in the first

hour of trading and high of 18,671.67 later in the morning.

Arbitrage selling of Nikkei 225 component stocks left out of

the new 300-issue index contin-

ued to depress the 225 index,

while individual investors hq-

Some arbitrageurs shifted

positions from the Nikkei 225

to the Topix index, lifting bank

Volume was 240m shares,

against 433.7m. Declines led

rises by 484 to 471, with 195

issues unchanged. The Topix index of all first section stocks

edged up 2.96 to 1,583,81 and, in London, the ISE/Nikkei 50

Individual investors, who

had bought East Japan Railway at its initial offering price of Y380,000, took profits, depressing the stock by Y6,000 to Y479,000. Nippon Telegraph and Telephone declined Y11,000 to Y799,000, closing

below the Y800,000 level for the

Banks were higher on Topix

index-linked buying, Industrial

Bank of Japan rose Y20 to

Y3,340 and Del-Ichi Kangyo

Steels firmed on bargain hunting, with Nippon Steel, the day's most active issue,

Profit-taking depressed some

consumer electronics manufac

turers: Sony weakened Y40 to

Y4,910 and Pioneer Electronic

declined Y70 to Y2,700. Keisei Electric Railway.

which had lost ground in tan-

THE golds index finished

recovered from an early fall in

reaction to weakness of the

financial rand. Industrials

index 16 to 4,020. De Beers put on 25 cents at R83.50.

SOUTH AFRICA

Bank put on Y10 at Y2,330.

appreciating Y11 to Y331.

index firmed 0.23 to 1,287.40.

uidated margin positions.

Some analysts were concerned that the terms of the merger - under which the Dutch chemicals group will raise FI 1.3bn through a share placing - were very expensive. Others commented that, in spite of a dilution in earnings next year, the new group could be expected to capture increased market share as the sector passed the bottom of the current downward cycle. Cost cutting measures would also result in substantial savings

over time, they added.

The CBS Tendency index lost
0.7 to 135.7. KLM fell Fi 1.00 to F1 39.80 following weakend news that no agreement had been reached on the Alcazar talks. However, there was speculation that should these talks fail, KLM and Swissair might attempt to form a link between

PARIS was modestly better following losses throughout last week. The CAC-40 index gained 3.78 to 2,084.79. In the automotive sector, Michelin rose FFr6.20 to FFr175.70 while Pengeot slipped back FFr5 to FFr653. In

a review, Lehman Brothers

FT-SE Actuaries Share Indices House's changes FT-SE Eurokask 200 (406.2) 1406.16 1402.36 1396.20 1397.24 1397.76 1397.86 1395.65 See who 1900 (25/10/0) Markey 700 - 1347.01, 200 - 1407,50 Lowing 100 - 1258.22 200 - 1365.71.

noted that there has been a 9 per cent outperformance by the sector over local markets in the year to date, in spite of car sales and earnings failing short of expectations. This, it said, had been due to interest rate cuts and favourable currency movements, which could also provide a favourable backdrop to a good performance through 1994.

Nov 5

1399.44 1429.46

Nav 4

Not 3 Test 2

1881.11 1362.36 1442.07 1444.39

rose SF186 to SF1868.

line with expectations.

higher to 1.3,885.

SFr5,730. Banks and insurers

saw gains: Winterthur bearers

Electrowat added SFr30 to

SFr3,310 with its forecast of

higher net income proving in

MILAN's Comit index fin-

ished 1.14 higher at 556.60 in

thin volume. Telecommunica-

tions Issues saw the best busi-

ness, with Sip dipping L84 to L3,245 and Stat edging L13

The fanfare that greeted the

launch of Fiat's new small

Punto car at the weekend

failed to spill over to market dealing. The shares finished

L22 higher at L3,446 after a

a strong opening on the bond

tions, particularly in the prop-

erty sector. The Hang Seng

index gained 181.02 at 9,177.95

Sun Hung Kai Properties advanced HK\$2.50 to HK\$55.50,

Cheung Kong HE\$1 to HE\$36 and Henderson Land 75 cents

SEOUL strengthened

alightly, registering a gain in the composite index of 6.10 at

7/5.47 in Won908.3bn turnover.

tated stocks were given a boost

by good October trade figures.

profits. The weighted index

relinquished 25.78 to 4,195.82.

Brokers said export-orien-

in turnover of HK\$5.4bn.

MADRID closed mixed after

ZURICH gained ground early in the day as bargain hunters returned, and while prices turned back from their best levels, the SMI index finished 21.1 higher at 2,675.3.

Interest centered on blue chips, which had been particu-larly hit by the correction. Roche certificates, the most active issue, added SFr70 to

Open 18.80 11.06 12.09 13.08 14.00 - 15.00 Close

0.50 down at 299.54. However, the market extended its critical support. After Kleinwort Benson's upgrade of the market from underweight to neutral a week ago, as a result of domestic interest rate cuts in October, and the more promising out look on labour reform and wage moderation, Goldman Sachs said yesterday that it was raising its twelve month target for the index to 370.

market gave shares an early

boost, the general index ending

ISTANBUL advanced 4.1 per cent aided by an improvement in the political outlook after the government announced anti-terrorist measures. The composite index rose 599.6 to

TEL AVIV, down 1 per cent on profit-taking on Sunday, rebounded again on underlying rumours of peace moves to close at a new all-time high in active trading. The Mishtanim index jumped 6.28, or 2.5 percent to 253.78 in turnover of

Written and edited by Willem Cockrene, John Pitt and Michael

Divergent views emerge on the outlook for equities

By Michael Morgan quity markets adopted a more sanguine mood

week's declines, which stemmed from Wall Street and spilled over to Europe and Asia, resulting in a 2.3 per cent fall in the FT-Actuaries World

Europe, France and Germany were among those hardest hit over the week, while Italy, the biggest loser, had the additional burden of political worries and their potential for disrupting the passage of the budget and the timetable for elections next year. Mr James Cornish of Nat-

West Securities expects that markets will end this week marginally lower. He notes that European bourses have had a "supremely" good run and says that it was natural for investors to want to book some profits. He believes that prices will need to drift lower still before buyers would be enticed back into the market

Mr Sushil Wadwhani at Goldman Sachs International views last week's weakness as temporary turbulence, believing that the global bull market

in equities is intact. He concedes, however, that there could be short-term risks as a result of continued profittaking, with an increase in investor nervousness precipitating further price falls.

But his optimism for the medium term stems from an expectation that inflation should remain subdued. At the same time, he says that equities remain significantly undervalued relative to interest rates. "The equity weakness that has so far been caused by higher interest rates should, therefore, be a relatively tem-

	*	dange is lie	Market 1	to chang		
	1 West	4 Thirts	1 Year	Allers of 1990	1963	Otor: c 1900
Austria	-2.64	+2.90	+30.01	+30.16	+25.55	+23
Belgium	-0 <u>.22</u>	+2.80	+23.92	-21.70	+15.90	+13.
Denmark	-0.10	+1,50	+43.53	+37.83	+30.64	+28.
Protend	-0.72	+5.18	+102.32	+97.65	+82_06	+78.
France	-3.95	2.53	+19.68	+16.74	+11.72	+9.
Germany	-2.26	+1.24	+35.32	+30.85	+27.40	+25.
tretand	+0.71	+8.55	+63.86	+49.03	+31.40	+29.
italy ,	-5,47	-8,17	+40.10	+31.42	+20.04	+17.
Netherlands	+0.21	+6.54	+37-53	+33,83	+30,73	+28.
Norway	-2.80	+3.04	+53.58	+37.77	+31,62	+29.
Spain	-3.02	+2.02	+52.79	+40,22	+20.20	+18
Sweden	-2.84	+2.18	+74.19	+37,80	+22,38	+20
Switzerland	-1.72	+5.08	E9.88+	+29.40	429,45	+27
UK	-2.62	-0.81	+16.42	+10.03	+10.03	+8.
BUROPE	-2.49	+0.36	+27,58	+20.98	+17.59	¥15.
Austrella	-1.68	+2.67	+40.74	+29.20	+29.19	+26
Hong Kong	-3.26	+13.69	+40.16	+62.53	+65,86	+82
Japan	-2.84	-3.29	+23.61	+21.53	+42.91	+40
Malayela	-1,30	+6.97	+89,75	+75.97	+83.47	+80
New Zeeland	+0.16	+7.29	+87,18	+45.78	+80.93	+58.
Singapore	-4.26	+1.20	+52.66	+40.24	+46.90	+44
Carada	-1.55	+4.64	+17.42	+18.09	+18.18	+16
USA ,	-1.89	-0.83	+8.40	+5.03	+6.97	+5.
Mexico	+1.59	+10.90	+28,43	+12.44	+13,54	+11.
South Africa	+2.47	+4.46	+38.95	+28.72	+48.40	+43.
WORLD INDEX	-2.27	-0.57	+19,51	+15.39	+21,14	+18

MARKETS IN PERSPECTIVE

about economic growth, equities outperform bonds. Mr Albert Edwards at Kleinwort Benson is more bearish about the outlook. He began recommending investors to raise cash last Wednesday, warning that a rise in US short term rates was close. He sees no reason this week for investors to be returning to equities

on a global front. He notes that US rates were cut sharply in mid-1992 to kickstart the economy and breathe life into an ailing banking sector. However, with the US recovery from recession now 32 months old and the banking sector back at record profits, he believes that an increase in the Federal funds rate is close. "The risk is that the markets Mr Wadhwani adds that typically in periods of optimism in isolation but as the first in a

Copyright, The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited. 1987

prices were unavailable for this edition.

series of tightenings, which it will be. Equity markets such as Hong Kong and Germany are especially vulnerable to fears of a reversal of the US mutual fund finance."

Conversely, the economics team at James Capel doubts that the fall in the US bond market in recent days marks the end of a rally which had taken 30-year yields down from around 9 per cent in 1990 to below 6 per cent this October. "The correction which has

taken place so far is relatively small compared with previous sell-offs and is unlikely to be sustained indefinitely." the team notes. "We remain of the view that bonds will continue to rally through to the second quarter of next year, with 30year yields dropping to just 5.2 per cent."

Y21 to Y889 on bargain hunting, while Sumitomo Metal THE Nikkel average rose mar-Mining, which had plunged last week on margin liquida-tion, rallied Y49 to Y857. ginally on bargain hunting, closing higher for the first time in five trading days, unites

In Osaka, the OSE average receded 36.48 to 20,764.81 in volume of 18m shares.

Roundup

THE RECHON'S markets were. generally in an uncertain mood

NEW ZEALAND tumbled by nearly 10 per cent at the opening in reaction to the inconclu sive election result; a partial recovery later in the session saw the NZSE-40 capital index close a net 138.4, or 6.3 per cent off at 2.046.8.

Most of the selling was attributed to retail investors, said Ms Pauline McAtamney, an analyst at Ord Minnett in Lon-

there was expected to be some downweighting of the market by institutions. She added that the risk premium had returned to equities, following their recent period of outperformance, and that investors would be watching closely what hap-

NZ tumbles by 6 per cent following election

pened in the bond market over the coming days. Telecom, one of the leading stocks, fell 42 cents to NZ\$4.08. AUSTRALIA retreated on that analysts described more

es profit-taking than reaction to events in New Zealand. The All Ordinaries index lost 25.7, or 1.24 per cent, at 2,054.2. Turnover came to A\$349.1m. Banks were among the biggest fallers ahead of next week's earnings announcements. National Australia

and Westpac 17 cents to A\$4.21.

HONG KONG rose on

Samsung Electronics and Sam-sung Electron Devices went the day's limit up, both rising by Won1,600 to Won48,600 and Won58,000 respectively.

TAIWAN fell back for the fourth straight session as Bank shed 10 cents to A\$12.50 investors continued to take.

Turnover amounted to

MANUA added to its recent losses as another heavy fall in PLDT shares made its impact

felt. The composite index dropped 59.26 to 2,351.46. Brokers said the fortunes of PLDT would dictate events in the near term, with some forecasting that the stock was now due for a rise in US trading. It fell 65 pesos to 1,760 pesos, KUALA, LUMPUR, declined

2.5 per cent but was off the day's lows on bargain hunting. Some commentators attributed the market's loss to the fact that dealers had been forcing clients unable to meet payment deadlines to unload their posttions. The composite index shed 23.42 to 921.52.

BOMBAY firmed on strong buying by foreign investors which led the BSE index up 48.58 to 2,713.30.

FT-ACTUARIES WORLD INDICES

Jointly complied by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	FREDAY NOVEMBER II 1985					THURRIDAY HOVEMBER 4 1985			DOLLAR INDEX							
Figures in parenthoses show number of lines of stock	USI Dežar Index	Day's Change	Pound Stering Index	Yeri Index	DM index	Local Currency Index	Local % chg on day	Gross (34. Yalid	US Dollar Index	Found Starting intities	Yen index	DM Index	Local Currency Index	1993 High	1863 Low	Year ago (approx)
Australia (69)	158,70	-1,1	158.28	108,49	139.57	156.33	-1.2	3.31	160.43	160.76	109.83	141.46	158.29	162.83	117.39	116.19
Austria (17)	172.77	-1,7	172.32	118,11	151,94	152.79	-1.2	1.03	176.84	176.21	120.38	155.05	154.72	184.47	131.18	141.47
Belgium (42)	151.68	-0.5	151.21	103.68	133,38	135.22	-1.2	4.26	156.51	192,63	(04.40)	134,47	136.90	150.76	131.19	134,41
Canada (107)	134.19	+0.5	133.83	91.73	110,00	125.73	-0.3	2,66	133.44	133,72	91.34	117.65	126.09	134.34	111.41	117.07
Denmark (32)	238,74	-1.0	238.11	163,21	209,95	216.93	-1.3	1.04	241.06	241.57	165.03	212,56	221.88	241.08	185.11	184.18
Finland (23)	124.43	-2.6	124,11	85.07	109,43	151.03	-23	0.69	127.71	127.57	67.43	112.61	154.51	128.99	65.50	69.59
France (98)	161.43	-1.8	161.01	110.35	141,96	148.90	-2.3	3.12	184.42	164.78	112.55	144.98	152.42	173.05	142.72	146.36
Germany (60)	130,14	-2.0	129.80	88.98	114.45	114.45	-23	1.88	132.79	133.06	90.91	117.08	117.08	130.10	101.59	102.51
Hong Kong (55)	350.77	-2.5	359.82	246.63	317.28	357,90	-2.5	3.05	369.85	570.62	253.19	326.13	366.90	386.88	218.82	258.90
treland (14)	175,18	-1.5	174.71	119.76	154.05	175.68	-1.8	3.19	177.89	178.26	121.78	156.85	178.85	177.89	129.28	126.69
Italy (70)	64.67	-2.4	54.50	44.21	58.85	79.35	-2.5	2.11	68.26	68.40	45.36	58.42	81.35	70.20	58,78	56.18
Japan (469)	147.36	-1.2	146.98	100.74	129.61	100.74	-1.3	0.81	149.13	149,44	102.09	131.51	102.09	165.91	100.75	102.74
Maleysia (69)	470.98	-3.4	469.75	321.97	414,18	463.46	-3.7	1.48	487.72	488.74	333.87	430.04	481.24	487.72	251.66	282.21
Mexico (19)	1637.01	+0.7	1832.18	1255.84	1615.46	9320.71	+0.7	0.71	1824.68	1828.49	1249.14	1608.91	6279.30	1867.70	1410.30	1466.50
Netherland (25)	194.33	-1.4	193.82	132.85	170.90	168.21	-1.7	3.26	197-07	197.49	134.91	173,77	171.17	197.07	150.39	149.82
New Zeoland (13)	67.77	-0.5	67.59	46.33	59.60	64.58	-0.9	3.44	68,15	68.29	46.65	60.09	65.19	68.38	40.56	39.01
Norway (23)	177.96	-22	177.49	121.66	156.50	178.14	-21	1.43	181.89	182.27	124.52	160.38	181.89	185,10	137.71	135.27
Singapore (38)	307.74	-2.8	306.93	210.38	270.63	226.20	-8.8	1,48	316.68	317,34	216.79	279.23	EU2.18	332.55	207.04	197.12
South Africa (60)	212.87	-0.3	21231	145.52	107.20	202.28	+0.8	2.63	213.43	213.87	146.11	188.18	200,59	218.72	144.72	141,81
Spain (42)	137.63	-2.7	137.26	94.09	121,03	141,90	-24	4.16	141.37	141,67	96.78	124.65	145.34	146.24	116.23	107.24
Sweden (36)	198.89	-1.7	198.37	135,97	174.91	239.01	-24	1.41	202.42	202.85	138.58	178.49	244.90	208.92	149.70	155.91
Switzerland (50)	143.64	-1.0	143.26	98.20	126.33	132.86	-1.7	1.63	146.00	145.39	99.33	127.94	135.19	148.18	108.91	108.06
	186.20	-1.4	185.71	127.28	183.73	185.71	-1.9	3.85	188.86	189.25	129.28	166.51	189.25	193.97	162.00	164.87
United Kingdom (218)	187.05		185.56	127.28	164.50	187.05	+0.5	2.76	186.15	186.54	127.44	164.74	186.15	191,5	175.38	170.74
USA (519)	10/10	10.5									161 244	104.74				
Europe (750)	157.03	-1.6	156.62	107.35	138.10	151.04	-2.0	3.00	159,58	159.91	103.24	140.71	154.12	162.97	133.92	132.03
Nortic (114)	189,42	-1.7	188.92	129,49	166.57	198,23	-21	1.24	192,70	193.10	131.92	169.91	202.52	184.54	142.13	142.15
Pecific Basin (713)	155.57	-1.3	155,16	106.36	136,81	110,38	-1.5	1.09	157,67	158.00	107.94	139.03	112.01	188.80	105.89	100.07
Euro-Pacific (1463)	156.07	-1.4	55.60	106,68	137.24	126.63	-1.7	1.89	158.35	158.68	108.39	139.62	128.80	162,86	117.26	118.36
North America (626)	183.75	+0.5	183.26	125.63	161.62	182.85	+0.5	2.75	182,86	183.24	125,19	181.26	182.03	187.68	171.51	167.40
Europe Ex. UK (532)	138.27	-1.7	137.91	94.55	121.62	130.49	-21	2.46	140.69	140.98	96.33	124.08	133.27	143.73	112.51	112.24
Pacific Ex. Japan (244)	235.03	-22	234.41	160.70	206.71	218.81	-23	2.74	240.26	240.76	164.50	211.07	221.84	245.12	152.70	101.41
World Ex. US (1649)	157.02	-1.3	156.61	107.35	138.09	128.98	-1.6	1.91	159.16	159.49	108.97	140.35	131.05	182.89	118.51	119.38
		-0.6	163.66	112.18	144.32	143.21	-0.7	2.05	165.06	165.40	113.00	145.55	144.22	168.68	134.22	193.00
World Ex. UK (1950)	164.09		165.3		145.64	146.54		2.05	166.94	167.29	114.30	147.21	147.76	170.48		
World Ex. So. Al. (2108)	165.83	-0.7		113.37			-0.8								137.29	125.86
World Ex. Japan (1699)	177,76	-0.4	177.29	121.53	156.34	173.77	-0.6	2.82	178.55	178.82	122.24	157.46	174.82	181.67	157.47	153.97
The World Index (2168)	765.04	-0.7	165.61	113.52	146.03	147.03	-0.8	2.23	167,16	167.50	114,44	147,40	148.24	170.68	137.32	135.77

vynat does a cellular call in Bermeillo, Mexico, have to do

We're involved in both. As the need for advanced communications grows worldwide, Southwestern Bell Corporation is growing internationally to meet it. We're now the 95rd largest company in the world, doing business on five continents. And a few islands.

We're in Mexico, where we have controlling interest in Teléfonos de México with our partners, Grupo Carso and France Telecom. Over the next four years, Telmex is investing nine billion dollars in cellular and other network upgrades.

We're in the U.K., where we provide cable-television and telephone services to eight markets. That makes us one of the top three cable providers in the country. We're in Australia, as partners in Pacific Access, a company which produces, distributes, and markets Yellow Pages directories.

We're in Israel, where our interests are in cable networks, telephone directories, and directory software. And in the U.S., we provide more than 10 million people with cellular communications and network telephone service and equipment.

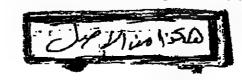
From wireless personal communications to advanced liber-optic networks, we have the technology to help people communicate better around the world. It's nice to feel welcome in so many places.

	Third Quar	ter 199	3 Resu	ts
١		1993 (unaudited)	1992	% Chg.
	Sales (000,000) Het income (000,000)' Earnings per Share'	\$2,795.1 \$455.8 \$0.76	\$2,617.7 \$410,6 \$0,68	6.6 11.0
	Assets (000,000) Access Lines (000)	\$24,211.0 13,157	\$23,810.0 12,718	11.8 1.7 3.5
	Cellular Customers (000) "1983 act income and eximitors per low date referencing and a constant	1,777 Mart are belong gal Marte belong SA	1,221 Parellary basid:	45.5
	aled with intentions company red Sporting 1992 and logarity and case \$25 realises for costs approximately will	म्प्राची इस्त स्था	to calcod by sc	11 S

(A) Southwestern Bell Corporation

"The One to Call On" 💂

For more information about SBC, please contact Director-Investor Relations, 175 E. Houston, Rm. 8-A-80, San Antonio, TX, 78205.



All over the world, business travellers are under pressure to cut costs, fly economy and stay in cheaper hotels. At the same time, airlines and hotels are trying to make their guests feel their money is going further, says Michael Skapinker

Free-spending days are over

unfamiliar hotel bed, wondering whether switching on CNN will provoke another round of irate wallknocking from next door, comfort yourself by pondering the contribution you are making to a great

Not the chemical, pharmaceuticals or financial services industry, but the business of business travel. The money that companies spend ferrying employees from city to city, from sales presentation to conference to contract signing, now accounts for an average 25 per cent of European gross domestic product.

German companies spend \$38.8bm on business travel and expenditure annually. British organisations spend \$30.3bn; French companies

Not that the average business traveller is seeing much of this lavish outlay. While the amounts spent on business travel might seem high. my are not growing. A recent 10country survey by American Express found that European business travel expenditure is expected to fall by 0.8 per cent this year. In Sweden, it is expected to drop by 11 per cent, in Germany by 6 per cent, in Switzerland by 4.5 per cent.

Expenditure will rise in some countries. The UK, after two. depressed years, will see business travel spending grow by 9 per cent. Spain will enjoy growth of 4.4 per cent and Hungary, beginning from a low base, will see a rise of 14.3 per

Even in countries where expenditure is growing, however, the opportunities to enjoy business travel are becoming increasingly restricted. Business travellers are expected to

appointments, flying ever further back in the aeroplane and staying in

group, which owns Radisson Hotels, offers this cheery thought it is never going to get better. There are some signs that business travel expendiimprove, but Mr Bartels insists the

European and US business ful restructuring in the face of Asian competition will keep costs under pressure until long after today's business travellers have retired, he says. There is, he adds, no point in building any new four or five-star hotels in the US or western Europe.

appears to bear out this pessimism Although 64 per cent of European companies have taken recent initiatives to control travel expenditure, many feel they have further to go. Only 54 per cent of European companies say they are entirely satisfied with their cost-cutting efforts so far. The travellers likely to endure the least additional pain in the future are the Spanish and the British.

trolled travel expenses.

cheaper hotels

Mr Juergen Bartels, chief executive of the Carlson Hospitality ture increases as national economies free-spending days of the 1980s will not return

The demand will not be there. The American Express survey. which covers 3,500 companies,

Almost 90 per cent of Spanish com-

panies say they are satisfied with their cost-cutting. Nearly two-thirds of UK companies say their travel expenditure is now under control. The travellers who are in for the toughest time are the French; only 26 per cent of compenies in France believe they have successfully con-Nearly three-quarters of European companies tell their employees

fifth of those have changed their travel agent in the past two years, either because they were dissatisfied with the service they were receiving or because they thought the new agent could obtain larger discounts.

But if employers are giving business travellers less money to spend, airlines and hotels are constantly looking for ways of making their guests feel their money is going further. Hotels and airlines are linking up to reward their most loyal customers. There are free flights for those who stick to one airline. Hotels are offering gifts for travellers to take home to their children. As in all industries, it is cheaper to keep old customers than attract new ones. As money becomes tighter, the business travel industry

ers, trying to determine who they are and what they want.

According to the American Express survey, the European business traveller is still likely to be male. Only 13 per cent of European business travellers are women. This contrasts strongly with the US, where Mr Bartels puts the figure at close to 40 per cent.

There are signs that European businesswomen are travelling more. in the UK, the proportion of women business travellers is now 23 per cent, double the number in 1989. In the financial services sector, 44 per cent of UK business travellers are women. In Spain, women make up 17 per cent of business travellers. The number of famule trusiness travellers in the other large European econo-

it is 10 per cent, in Germany 11 per cent and in Italy 7 per cent.

The industry expects the number of women to rise throughout Europe, particularly as economies continue the shift from manufacturing to service industries. However, many hoteliers are still ill-equipped to meet women travellers' needs, according to Mr Mark Harris, marketing manager of Expotel, a large hotel reservations agency.

His company's market research shows that most women travellers are generally satisfied with hotel service standards. Hotel reception desks are usually given high marks for their endeavours to make women

guests feel welcome. But hotels, particularly in the UK, still fail to provide the level of physiare looking for, Mr Harris says. Many British hotels do not have peepholes or chains on doors and car parking areas are poorly lit. He says Expotel's women customers also want a more discreet check-in proess, so that only the guest knows the room allocated to her.

Other complaints focus on the lack of facilities in rooms. While hotels provide trouser presses and suit hangers, many do not have skirt hangers, hair dryers, irons or ironing boards. Hotel restaurants are criticised for not providing tables for single guests. Twenty-four hour room service is regarded as essential by many women business travellers, Mr Harris says.

While business travellers are encouraged to spend fewer days away from the office, they still resent the time spent away from their families, says Mr Michael Stajdel, head of European, African and Middle East marketing at Inter-Con-

When Inter-Continental asked its customers what they wanted from the chain, the most popular answer was to be able to being their spouses and partners along. As frequent flyer programmes can be used to win a free ticket for partners, many travellers have been asking for double occupancy of their hotel rooms at no extra charge. Another popular request was for transport from the airport to the hotel. Many said it provided a more comfortable start, particularly in cities where they did not speak the language.

Given the pressures on them to show that their journeys have been worthwhile, today's business travellers also want hotels to make it easier to work while they are on the road. "If we look at the research of 10 years ago, people said they wanted their hotels to be homes away from home," Mr Stajdel says. Today they want them to be offices

away from the office." Some of the ways to ensure officelike efficiency in hotels are already standard, such as swift delivery of facsimile messages or fax machines in rooms. At the Inter-Continental in London, guests can leave a voice mail message in the language of their choice.

Today's business travellers feel the need to be healthier and more alert. Hotels bave built more health clubs as well as business centres. 'Whereas 10 years ago travellers would want a bottle of whisky, today it's fresh fruit and mineral water.

IN THIS SURVEY

5 The class-system and cost-cutting Executives who must now tum right

□ Travel decisions is your journey really

☐ Choosing a hotel Don't pay what they charge

☐ Hotel technology The accommodating computer Page 4

□ Computer reservations Operators locked in systems battle Page 5

Practical advice on how to ☐ Eastern Europe

The game of ripping off the □ Airline comfort

Passengers could use a little more space Page 7

Earthy advice on airborne dangera ☐ Traveller's tale

Just take hand luggage Airport lounges Accent on luxury Page 8

Rules of the game Services in the air Sleep - then food Page 11

☐ Frequent fivers

☐ Travel agents The expense managemen industry Car rental deals

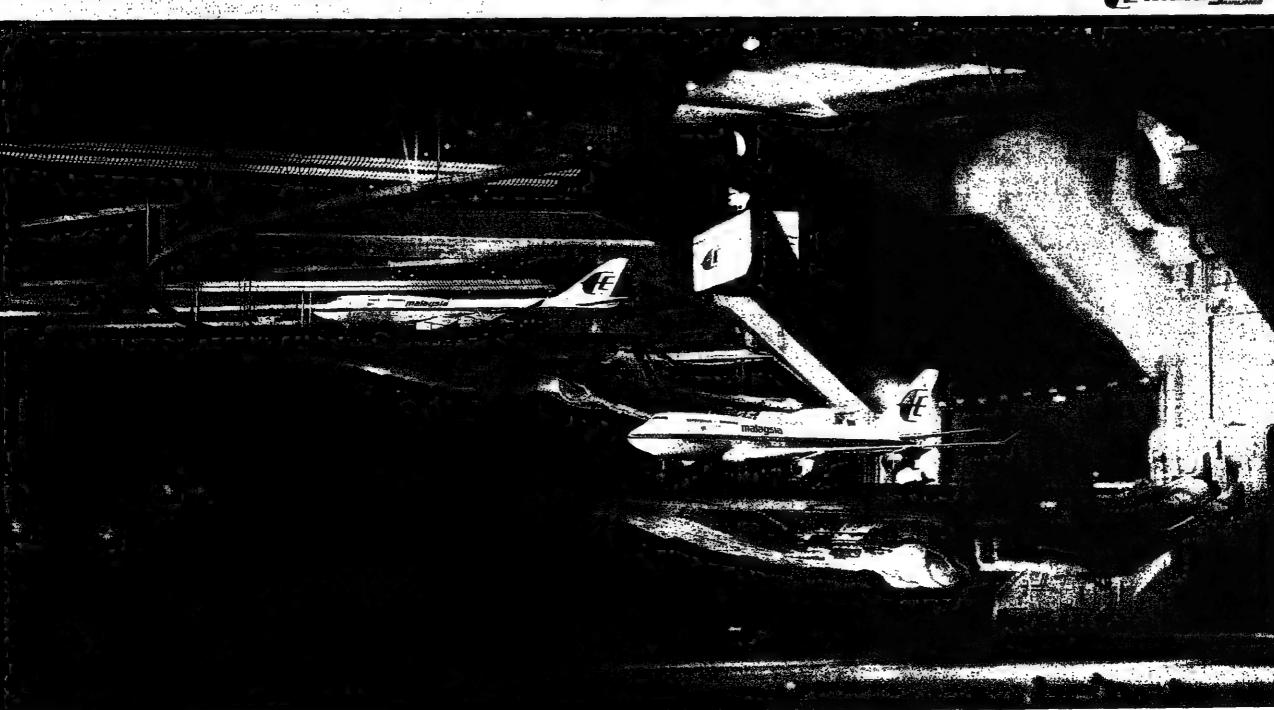
Seamless service will cut waiting Page 12 Small twotels

Cosier than the chains ☐ Traveller's tale Maxims to obey Page 13 Editorial production

Gabriel Bouman

Robin Coles

TE malaysia



A vision of the future by Malaysia Airlines.

MALAYSIA AIRLINES HAS THE largest FLEET OF AIRCRAFT IN SOUTHEAST ASIA.

Imagine the future for one of the world's fastest growing airlines. Flying the latest 747-400s and the largest fleet of 737-400s outside the USA. All part of an extensive US\$5 billion 72-aircraft renewal programme. On our 747-400 services, we offer First and Golden Club Class passengers the latest in-flight entertainment. Our personal television system, MAS Skyvision, features 6 channels and video games. While a CD music system entertains with a wide selection on 9 channels. And anywhere you fly, you can keep in touch with the world with MASfone, our global telecommunications system. Across 5 continents, graced with service from the heart which says, you mean the world to us. Imagine. Fly Malaysia Airlines.





MANY BUSINESS travellers had no idea until quite recently that you could turn right when you entered an air-craft, says Mr Kelth Webber, UK director of Uniglobe Travel, a network of franchised travel agents.

Turning right when you enter an aircraft takes you to economy class. An increasing now spend their journeys

Mr Webber says: "If you have always travelled busine class and then one day there's a policy change and they say any flight of less than 10 There has been more cost-cutting in the air than on hotels, reports Michael Skapinker

Executives who must now turn right

takes some getting used to." Only 14.9 per cent of UK nies now allow all staff to fly business class throughout the world, according to Thomas Cook, the travel agents. A year ago, the proportion was 25.4 per cent. A year from now, only 13.4 per cent expect to permit all staff to fly

However, there are still flying at the front are likely to many people flying business or first class, as any traveller can see. Many have bought cheaper tickets but have man-aged to get themselves upgraded. Others have front of the aeroplane because of their seniority.

be Spanish and Belgian, reports a recent Europe-wide survey by American Express. Over 20 per cent of Spanish senior managers still fly first class on long-haul flights. Nineteen per cent of Belgian nagers fly first class, followed by German execu-

likely to be flying first class are the Swedes (4 per cent), the Dutch (5 per cent) and the French (7 per cent).

in most European countries. around half of all senior executives in Belgium, Hungary. Italy, the Netherlands. Switzerland and the UK fly bust-

ness class on long-haul flights.

A striking feature of the American Express survey, however, is the number of senior managers who now fly economy class on long-haul flights. Spanish senior executives, who have the highest representation in first class, also have the highest number flying economy. About 40 per

flights. Other countries with large numbers of senior managers in economy are the Netherlands (36 per cent), Italy (31 per cent), Sweden (30 per cent), and the UK and France (26 per

However, such travellers, now flying in greater discom-fort than previously, have a greater chance of holding on o their old privileges wh comes to choosing a hotel.

Some travel industry management

ers, such as Mr Bill Kirkwood seles and marketing director of Thomas Cook Travel Management, criticise companies for devoting too much of their cost-cutting effort to the air-line bill. He says: "Too many companies are wasting the savings they have made in the air with a poor choice of

But Mr Webber says there is a logic to companies worrying less about which botal their imployees stay in than which airlines they fly. The hotel bill forms a smaller proportion of total travel costs than strike

The American Express survey found, however, that while air fares are the biggest travel anies, hotels. expense for companies, hotels are not far behind. Air fares secount for \$6 per cent of travel expenditure, with hotels at 19 per cent and motoring costs at 19 per cent.

Mr Richard Lovell, managing director of Wagons-lits Travel, says the reason why business travellers have been llowed greater freedom in choosing a hotel than an air-line is that many companies are still unaware of what accommodation is costing

Only 26 per cent of hotel bookings are made through travel agents, he says. Many travellers' hotel bookings are handled directly by their secretaries. By contrast, 70 per cent of airline bookings are made through travel agents, and the number is growing. The greater mass of airline information provided by travelagents makes cost control

Mr Lovell says there have, nevertheless, long been gen-eral rules about which staff stay in which class of hotel. In

domestic business travel par-ticularly, staff sent out to sell goods and service customers' to stay in budget hotels of the sort provided by large groups such as Forte in the UK and Accor in France.

At the top end of the corporate hierarchy, senior execu-tives have traditionally stayed in exclusive five-star hotels. That has changed over the past two or three years, with many senior managers deciding to stay in less exclusive

This is not necessarily because those senior executives want to save money.

enior executives stay in four-star or even three-star hotels because they want to be seen to be setting an example to staff

Large savings have been available at many of Europe's most exclusive botels over the past few years. Mr Lovell says be nembers getting a £325 double room at a top hotel in London for £80 for one of his cil-

senior executives stay in fourstar or even three-star hotels is they want to be seen to be setting an example to staff.

A manager at one of the world's most exclusive hotels laments the fact that many serior executives will no longer stay at his establishment, no matter how little the rooms cost. If word got around the office that the chief executive was staying there, the credibility of the company's cost-cutting policy would be irretrievably damaged. Explanations that the chief executive had got a special deal would cut

Four-star hotels have bene fited from this need to be seen to be austere in choice of accommodation. Small, exclusive hotels in London have also been able to attract senion executives who are steering clear of better-known estab-

One area where exclusiveness appears to be thriving, however, is rail travel. Mr Lovell says that his company has seen an increase in bookings of first-class rail tickets. He says: "We think that what is happening is people are being told they can't stay away overnight. They have to do their journey in a day. What they can do, however, is go first-class on the train."

retained the right to fly at the

Is your journey necessary?

Gillian Upton explains how companies are trying to reduce costs

and the onset of the recession, companies had started to turn the spotlight on travel costs. Airlines had aiready been witnessing a downtrading from first-class to business class, for

"People are using the recession as an excuse," claims Mr Steven Lek, general manager, UK and Ireland, for Singapore Airlines, one of the airlines retaining first-class cabins in the hope of a cyclical

is so good now it's difficult to

"So many companies have made cuts that they might not have staff to police what's going on"

justify first-class," he says. Long a poorly tracked item in a company's report and accounts, necessity - in the form of recession - has turned the spotlight even harder on travel expenditure.

But three years later, companies have got used to the sub-stantial savings and are now prepared to forgo flexibility and staff demotivation in Invour of cheaper tickets.

Mr Kevin O'Breen, author of The West European Business Travel Market 1993-97, published by the Financial Times earlier this autumn, believes that the new-found cost-consciousness will not diminish after the recession ends. "The Gulf War educated the corporate sector as to the amount of non-essential travel expendi-

EVEN BEFORE the Gulf War ture incurred in previous "The 1990s will witness the

advent of the responsible, cost-conscious business traveller." he says. "Traveller preferences will become less important to the corporate client as the benefits of cost reductions will incressingly outweigh them."

Major corporations have become more stringent in their travel policies for staff or have written a formal travel policy for the first time, However, according to Mr Colin Rainpan-European travel agency

chain Wagons-lits, there is still a resistance to implementing the policy. "They're not prepared to grasp the nettle," says Mr Rainbow. "It's more for an easy life than anything else

although so many companies have cut down on staff levels that they might not have enough staff to police what's going on." There are, of course, plenty of examples in the UK corporate sector which are exceptions to this. "One of the things we are looking at more vociferously now is the need to travel, not just costs," explains Mr Kevin Watts, travel manager of the British Council. "We will always travel when there's a business need but we are looking at the business

The first thrust of the councll's strategy is to cut back on domestic travel between its London and Manchester offices by installing a permanent video conference link between the two locations. It was installed only six months ago

and it is too soon to track

savings, but Mr Watts is convinced that it will "knock a big dent in our domestic travel cost. Two out of three trips between the two locations could conceivably be handled by video conferencing." he

The initial resistance to using the facility was overcome by offering staff social use of it over lunch periods so they could talk to their friends. Attempts to make extra savinga on oversees travel are just beginning. The council is

class is appropriate on all jour-"People are expected to work harder now, so downgrading is not seen

as the way to go"

saking whether business

neys over two and a half hours, a class of air travel stipulated in the company's travel policy. "We point out that if they go Economy class instead, they would get more trips out of their travel budget," says Mr

Watte.

While he appreciates that the majority of the overseas trips are necessary (trips are generally of around 10 days' duration and involve major projects) he believes that the advent of worldwide video conferencing will change the face of long-haul travel. "Travelling per se is unproductive," he

By contrast, Mr Jim Thomas, head of travel and transport services at the Shell Centre, part of Shell International, believes teleconferencing and

the place of travel; instead, they augment rather than replace it. "Electronic communication isn't a good substitute for face to face interviews;" says Mr Thomas.

Shell international with an emphasis on staff motivation, has a more liberal policy toward executive travel than the British Council There has been no downtrading since the recession; it has not been on the agenda. "It's not an issue," says Mr Thomas. "The purpose importance. People are expected to work harder now, so downgrading is not seen as the way to go.

Instead, the company looks to reap benefits from airlines in the form of route rebates. The company's outlay on air tickets is a cool £12.5m a year and on overseas hotels 25-6m a year. Such spending can speak volumes around a negotiating table. Anybody who needs to travel still has to get authority to do so and then it will be suggested which airlines to patronise. "We don't dictate," says Mr Thomas, "but we would obviously like the travellers to use the preferred car-riers where we can get deals."

The last round of downtrading was undertaken a decade ago when first-class disappeared for all inter-continental flights. Now it is business class, even within Europe, for the company's 2,500 travelling executives. Only some 60 senior staff are eligible to fly



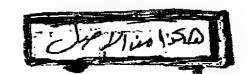
If money is no object ... the Brigantine Wan Fu off Hong Kong ... Our Guin



We can't promise to make every business trip successful. put at least we can promise to make it easier. With convenient straid access handy car-parking tast check-in and superb business facilities, East Midlands International Airport offers you she easiest option. For more details call our 24 hour information line on 0332 852888

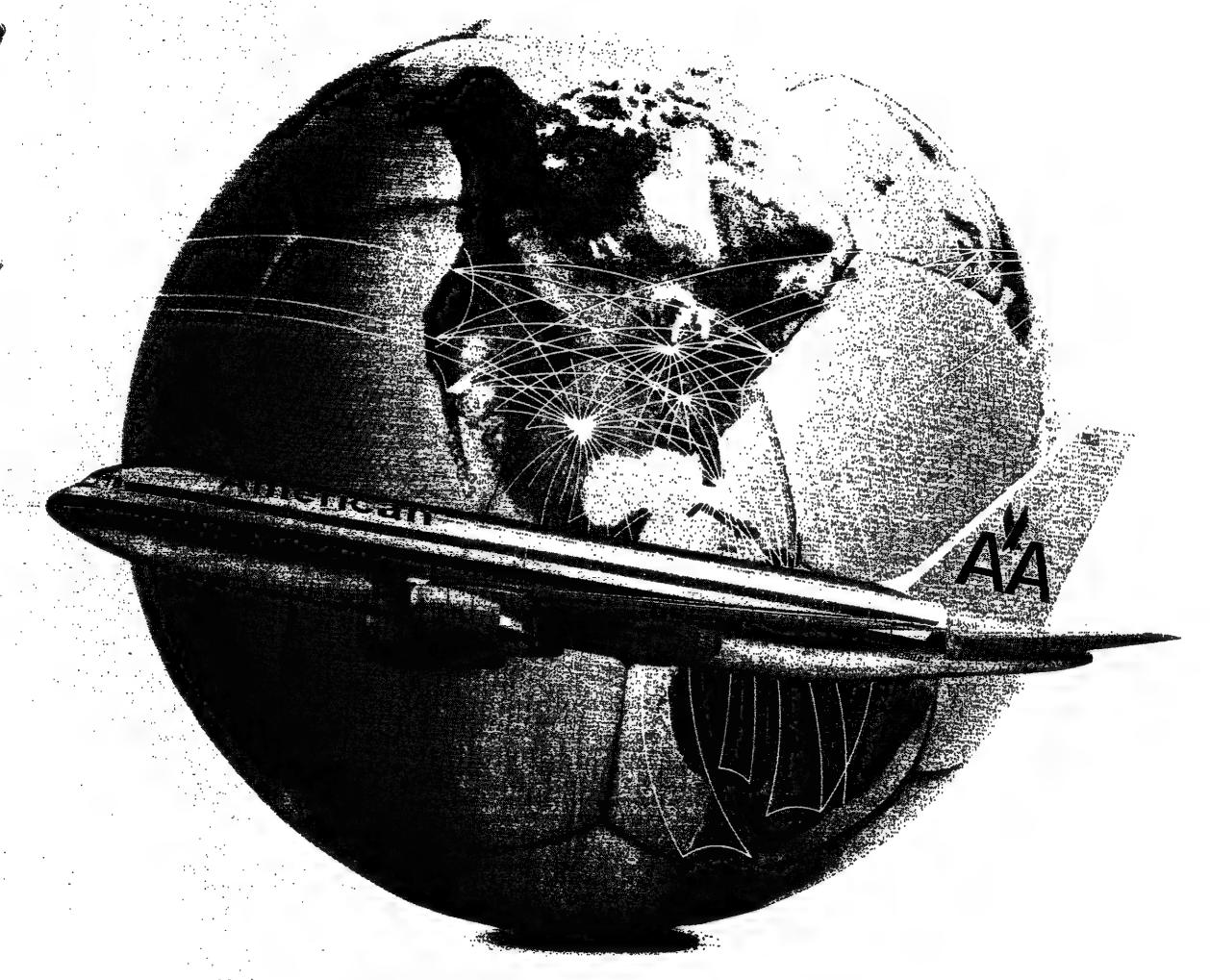
EAST MIDLANDS INTERNATIONAL AIRPORT

THE CHANGE WILL DO YOU GOOD



FINANCIAL TIMES TUESDAY NOVEMBER 9 1993

200 reasons why American is the official airline of World Cup USA'94.



When World Cup USA'94 chose its official airline, it named American Airlines, the airline that knows America best. Because from the UK, without changing airlines, you can fly American to over 200 cities throughout the US, including New York, Los Angeles, Chicago, Dallas/Fort Worth, Boston, Miami, San Francisco, Orlando and Washington DC. So, for your next business trip to the US, call your Travel Agent or American Airlines on 0345 789789.

No other airline knows America better than American.

AmericanAirlines® Official Airline of World Cup USA'94

H

Michael Skapinker offers advice on choosing a hotel

Class

pproaching a hotel a year or two back, a husiness traveller would look from the outside at how many room lights were on and then how busy the lobby was.

If the hotel appeared to be

having a difficult time, as so many were then the husiness traveller would demand a room at a ludicrously cheap price and get it.

Things have changed slightly since then. In some cities such as London occupancies have crept up and hoteliers are less inclined to give their rooms away for next to nothing.

But despite the improvement in some hoteliers' business, published or "rack" rates are largely fictional. Few travellers

Mr Juergen Bartels, chief executive of Carlson Hospitality, which owns the Radisson hotel chain, says that in the US, only 20 per cent of guests pay the full rate. One of London's most distinguished hotels admits that only 10 per cent of its guests pay the rack

A survey published earlier this year by Pannell Kerr Forster, a leisure consultancy found that guests in Edinburgh hotels were receiving average discounts of 44.8 per cent off the official rate. In Oslo, discounts of 44.7 per cent were available. Business travellers could get 42.8 per cent off their bills in Manchester and 40.1 per cent in Athens.

Even the European cities with the firmest room rates were found to be offering substantial reductions: 12.5 per cent in Zurich, 14.5 per cent in Prague and 15.5 per cent in

Business travellers are in a stronger position to negotiate than five years ago because there are fewer of them as a proportion of all hotel guests. Mr Geoff Parkinson, a director of the Horwath hotel and leisure consultancy, says the worldwide proportion of hotel guests who are business travellers, conference delegates and government officials has fallen from 56 per cent in 1988 to 49 per cent in 1992. The

ries information from over 180 hotel chains and reservation

companies along with details of more than 27,000 hotels. A

direct connect service is avail-

able for 57 hotel groups, enabling Sabre to link into

hotels' host computer systems

and provide latest room avail-

ability and rate information,

together with immediate con-

Some large hotel chains have installed their own cen-

tral reservation systems while others have joined one of the

marketing consortia such as

Best Western Hotels and

tions which run reservation

systems or one of the booking

services like Utel International

Reservations which handle

telephone bookings for a wide

These central reservations

systems use sophisticated soft-

ware developed in-house by

big chains such as Forte or by

software specialists including

MDIS (McDonnell Douglas

Information Systems) which

has installed 26 "Hornet"

As a guest arrives in the

hotel lobby, sophisticated

computer programmes

come into play

systems in the UK and conti-

nental Europe. MDIS customers in the UK include Best

Western and Hilton whose sys-

tem, installed three years ago,

handles bookings for 42 Hilton

In the wake of the Gulf war

and the recession, Mr Stephen

Sawyers, general manager for hotel and leisure industry

operations at MDIS, says:

Hotels and hotel groups have

woken up to the need to mar-

ket their services more effec-

tively and aggressively and

they need technology to help

them do it." Central reserva-

tion systems like Hornet also

handle the links between

hotels' host computer systems

and global CRSs. "It is quite a

difficult integration job," says

One key advantage of these

Mr Sawyer.

hotels in the UK.

range of independent hotels.

Supranational Hotel Reserva-

firmation of the booking.

Don't pay what they charge remaining guests are tourists -who spend less. director of Utell International which handles sales and reservations for hotels around the world, sees signs "Although tourists are clearly everywhere that companies and business travellers are welcome, the tourist market is very competitive and many economising on their hotel hotels will not be able to return to full profitability expenditure. Although occupancies have started to rise in a few European cities, bookings are still being made

Parkinson

Bookings are being

made far later than they

were three years ago

without an increase in business traffic." But while the

business traveller remains the

years ago. The length of time that business travellers stay in hotels is shorter than it was a few years ago. Mr Ball says cross-border hotel reservations are now for an average stay of 2.5 nights, compared with 2.7

far later than they were three

hotels. Mr Ball says. The difference compared with a year ago, he says, is that it is corporate buyers who are now obtaining the discounts; individual travellers attempting to negotiate a cheaper rate might find it more difficult.

london heathrow

He says: "The individual traveller can no longer make the guaranteed assumption that rates are going to be reduced. There will still be hotels where, if you arrive late, you will be able to negotiate the rate down. But the fire sales which we saw in some

markets have pretty much come to an end." However, Mr Michael Stajdel,

hotel rates for their travel-

Mr Stajdel says: "In years past, travellers had almost a completely discretionary choice as to where they would stay and what airline they

Employees have more choice on hotels than on sidines or car hire firms

would fly. At the time of the Gulf War, companies began to scrutinise their travel and entertainment budgets and they realised that there were opportunities to make savings. Companies began to analyse what they were worth to travel

suppliers such as hotels and to use that to negotiate more effectively. They've begun to limit the number of hotels they use. This increases the volume of travellers they send to any given hotel and they can use

that to get a better price." Some companies have begun to instruct their employees to use certain hotels rather than others. In one US financial institution, a regular travel report throws up the name of any employee using a hotel which is not recommended by the company. The employee is asked why the hotel was chosen and warned that staying in unauthorised accommodation

ture not being reimbursed These rigorous procedures are not yet in force everywhere, however. Many employees still have more choice over hotels than they have over airlines or car hire firms.

could result in travel expendi-

Mr Bill Kickwood, sales and marketing director at Thomas Cook Travel Management, said research carried out for his company in the UK by the Uni-versity of Surrey, found that 21 per cent of companies had strict policies on which airlines staff could use. Nearly one third placed strict limits on the choice of car hire firm. However, only 18 per cent of com-panies told staff which hotels CO MISS.

This means hotels can still try to find ways of attracting individual business travellers. Apart from keeping their rates down, hotels are looking at how to make business travellers' stays more comfortable. Free gifts, free breakfast and reduced telephone and facsimile charges are some of the devices being used to attract business travellers to hotels.

Ma Vanessa Leak, Thomas Cook Travel Management's head of marketing, says: "Hotels are starting to see the benefits that loyalty programmes have provided to airlines. -Frequent guest programmes differ from airline programmes in that they usually give a benefit that is immediately redeemable, like a room upgrade or fast check-

ber, voice mail and other

Lbased systems. information technology is



Paul Taylor on advances in hotel technology

An accommodating computer does the bookings

systems is ease of use. For example, a traveller visiting several European capitals can telephone a central reservation system and make confirmed bookings for each city while on the line. The central computer system then updates individual hotels host com-Duter systems, either electronically or by fax, and updates the records held in any participating airline CRS. If the booking covers several different hotel chains, the central system will handle all the elec-tronic "paperwork" and charge the hotels the appropri-

Some travel management companies have gone one step further, providing an integrated approach to hotel booking. For example, Thomas Cook Travel Management has spent 18 months and more than £1m to develop a new booking system called System Four. Mr Bill Kirkwood, director of sales and marketing, says of the system: "On a single CRS screen, which is divided into four segments, all the relevant information necessary to book flights, hotels

As with central reservations systems, the main advantage for the business traveller is that hotel bookings are confirmed on the spot, while the customer is on the telephone. A profile of the client is held on the system, so that prefer-

and car hire appears."

room or business facilities can be arranged without the caller needing to ask for them. Technology will be the key differential between travel management companies in the future," says Mr Kirkwood.

Technology is also becoming increasingly important in the internal management of hotel systems. As soon as a guest arrives in the hotel lobby,

tightened. The days of the traditional hotel room key aiready look numbered another range of sophisticated

Security is being

computer programmes called **Property Management Systems** (PMS) comes into play.

Many varieties of PMS are available from software com-

panies and specialist system houses on both sides of the Atlantic. Most consist of a central or core programme which handles basic functions such as reservations, check-in and check-out and accounting. They also accept add-on specialist "modules" and provide electronic links or "Interfaces" to other automated hotel systems, including energy management, electronic key and telephone management systems.

Among the PMS suppliers in the UK is Avon Data Systems. which has been selling a range of PMS packages which run computers for 10 years. Its software packages cater for hotels with between six and 1,500 bedrooms and prices range from £600 for an entry

level system to £3.500. Mr Clifford Springer, Avou's managing director, says that these days customers are demanding more integrated packages and sophisticated reporting so they can do budgeting and yield management, of critical importance in the fiercely competitive hotel

Mr Christopher Lomax, managing director of Misys' Innsite subsidiary, another UK-based PMS supplier, adds that "some hotel groups are realising that they have to use sales and marketing more." Data collected by a PMS can help this effort and most PMS packages such as Innsite's Omega accept add-on sales and marketing modules.

Another large PMS supplier

is Hotel Information Systems, a specialist software group with operations on both sides of the Atlantic and customers around the world. HIS supplies a wide range of PMS products designed for all sizes of establishment.

Its flagship, Paragon Front Office PMS, which runs on IBM AS/400 computers, provides a range of tools for managing guests from reservation to check-out and integrates with Paragon Back Office,

instance,

also helping to improve other espect of hold performance. Security is being tightened. The days of the traditional hoter room key already look gent Systems markets a sys-tem that becindes a card-prodncing computer, up to 16 levels of magnetic stripe keying door locks and a hund-held computer that programmes,

card key is made which automatically expires at a design nated date and time. Using the hand-held computer, ma ment can also track 120 entries for each room by date, time and by card type and serial number meaning that no one - guest or staff -can use the lock without leaving a clear trail.

other IT systems monitor and control the environment. For example, Staefa Control Systems, based in Switzerland. provides a highly sophisticated automatic temperature. control system which can be integrated with a front office booking system and enables the hotel to control energy

usage precisely.

Most hotels will also have an automated telephone management system. These work 🔻 with a hotel's private automated branch exchange (PABX) and its PMS and some provide automatic wake-up calls in a guest's native language or enable the guest to control a hotel pay-movie video system from the room

Even the mini-bar has been automated in some hotels. One system : manufactured by RoboBar provides on-line information on stock levels, sales analysis, automatic hilling and accounting audit trails for room mini-bars which can be connected to any PMS system, or work on its own,

FT SURVEYS INFORMATION

1993 FORTHCOMING SURVEYS LIST 1993 SURVEY SYNOPSES ' . Tel 071 873 3763

Central Reservations, Yield

management, Concierge and

other add-on modules and

enables hotel operators to develop sophisticated rate

structures, maintain records of

previous guest visits and gen-

erate a wide range of financial

and other reports. The latest

generation of the product

offers more than 300 interfaces

including connections to point-

of-sale, call accounting, mini-

complementary products.

Among its features,

Fax 071-873 3862

BACK NUMBERS £1.20 up to one month previous. Personal callers £1 £1.60 one month to one year previous Tel 071.873 3324

SURVEYS INDEX (past two years) 22. Tel 071 873-3213 REPRINTS Quotes available for minimum 109 order Tel 071 873 3213

Tel 071 873 3763

EDITORIAL Information should be sent in writing to the Commissioning Editor for the survey concerned at Number One Southwark Bridge, London SE1 9FIL. ··· or fex 071 873 3076/407 5700

Cheques and postal orders for the FT Surveys Index and Back Numbers should be made payable to Financial Times Ltd.

puneruals are breath the bearing and order like the enter arbitrary be.

No other are like orders for a creative stone of like the many are represented to the relative of like the many are represented.

Sharp a lating to the plane of the like the like the representation.

The change to early the first build not contained being of as the file to like the regular are the relative for the like the relative for the like the li

Try as Dauce las new locate

European Business Class. Phone the

exclusive Business Class Service Centre on

971 \$30 0066 Monday Priday 0806-

20.00 hrs wad Saturday Sanday 09.30.

4740 haj.

Tunnel will need a good start

MUCH OF the interest surrounding the opening of the Channel tunnel has focused on the competition it will offer to the ferries. Yet the most dramatic impact of the tunnel could be on business air travel between London, Paris and

If train services which run through the tunnel can emulate the success of France's high-speed trains on the Paris to Lyons route, they could corner as much as 80 per cent of passenger journeys.

initially, two services will be available through the tunnel. Passenger trains operated by European Passenger Services, trading as Eurostar, will run from Waterloo to Paris Gare du Nord and Brussels Midi. At the same time, a shuttle service, known as "le shuttle", and carrying cars and lorries, will poperate between terminals at Folkestone and Calais.

The shuttle service is due to start next May, beginning with two departures an hour but rising to four an hour in the peak holiday season in August The journey will take one hour from motorway to motorway.

Travel agents do not expect large-scale business use of the shuttle service, though businessmen who use their cars to carry exhibition materials or samples are potential users.

European Passenger Services, a British Rail subsidiary, is still testing the special trains it will run on the London to Paris/Brussels route

Train services could corner as much as 80 per cent of passenger iourneys

and will say only that it expects to start operations next

The journey will take three hours to Paris and 3 hours 15 minutes to Brussels. Track improvements in France and Beigium should cut the Brussels times to 2 hours 40 minutes by 1996. The opening of the high-speed link through Kent and East London in 2001, assuming there are no further

cut journey times to Paris to 2 hours 30 minutes and to Brussels to 2 hours 10 minutes. When the high speed link is opened, the main passenger terminus in London will move from Waterloo to either St Pancras or Kings Cross.

Passengers who do not want to go as far as Brussels or Paris can make use of those trains which stop at intermediate stations. These are being built at Ashford in Kent, Calais and Lille while further stations have been proposed at Ebbsfleet, near Gravesend, Rainham in Essex and Stratford in East London.

In 1995 passenger services will be extended beyond London with night services from Plymouth and Glasgow through the tunnel to the Continent. Daytime services will operate from Manchester and Edinburgh. For travellers who want to go beyond Paris and Brussels, there are existing rail connections while high-speed links are being further developed. Further high speed rail links are

Paris to link with the existing high-speed trains to Lyons and Bordeaux, and in the Netherlands and Germany in

More than 40 trains will run in each direction every day and even at off-peak times there will be at least one train an hour, Eurotunnel says. There are also plans for overnight services linking London

A means of travel which, unlike autumn and winter airline flights, is not affected by the weather

and other cities in the UK with

"Once people get used to rail travel this could open up the rest of Europe," says Mr Paul Allen, chairman of the Guild of Business Travel Agents, "To my mind there is no choice when you can jump on a train, sit down at your seat and get straight on with some work." The main advantage the train can offer over air travel

pler and quicker to travel to a rail terminal in the centre of town than to an airport on the outskirts. Flying frequently involves a long journey by taxi or underground to the airport and a wait to board the aircraft. Take-off and landing delays caused by congestion at airports can also prolong a

The tunnel rail service will offer regular departures which should make pre-booking unnecessary at many times of the day, though booking will probably be necessary at peak

The tunnel should also offer means of travel which is unaffected by the weather. unlike autumn and winter airline flights which can frequently be delayed by fog and

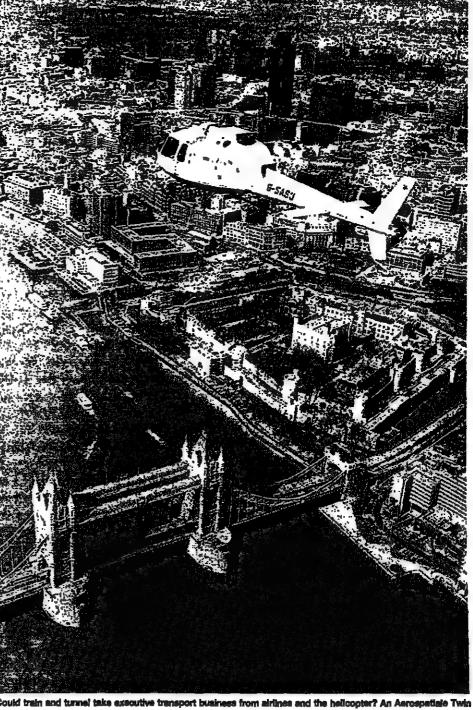
For the nervous flyer the tunnel offers an alternative though questionnaires of whether people would use the tunnel have revealed many travellers do not welcome the prospect of a long journey in a tunnel. The time actually spent in the tunnel will vary from 23 to 27 minutes.

Travel agents are generally enthusiastic about the benefits which the Channel tunnel service will bring for customers. Just as the arrival of competition in airline routes in Europe has brought down prices, so the tunnel is expected to exert further pressure, says Ms Vanessa Leak, head of marketing for Thomas Cook Travel

But there are residual doubts about the delays in building a dedicated high speed link in the UK and some travellers, disillusioned with the poor commuter service provided by British Rail on some routes, may need convincing that rail can be an attractive alterna-

"Our research suggests that the first few months will be crucial," says Ms Leak. "We anticipate strong initial demand because of the novelty value. But if travellers are in any way disappointed, it will be extremely difficult to win

What is not yet clear about tickets. Eurotunnel says prices will be announced in January, though it has said that the shuttle ticket prices will be



Could train and turnel take executive transport business from airlines and the helicopter? An Aerospatiale Twin

similar to ferry prices. prices which will be competitive with the airlines. It expects to announce its fares structure in the spring.

also bring indirect benefits. Some travel agents are forecasting that the cross-Channel

routes will experience competi-

For businessmen who prefer tion similar to that which has European Passenger Services to continue travelling by air, prevailed on the North Atlanprice reductions and improvements in the quality of the ser-

COMPUTER RESERVATION SYSTEMS

Operators locked in battle

EXACTLY 40 years ago, a chance meeting took place on an American Airlines' Los Angeles to New York flight. involving two Mr Smiths. One, C.R. Smith, was American's president, the other, R. Blair Smith, was a senior sales representative for IBM.

The outcome of the conversetion between the two men was a project, designated Semi-Automated Business Research Environment or Sabre. Almost a decade and \$40m later, the world's first sirline computer reservation system (CRS) came

initially, Sabre was an inter nal system which enabled American electronically to link a passenger name to a specific seat sold on an aeroplane. By Sabra's tel tions network stretched from coast to coast and from Canada. to Mexico and it was already the largest real-time commercial data processing system in the world

- - - - - - - - -

Since 1976, when the first Sabre terminal was installed in a travel agent's office, a handful of competing CRSs has been set up. These have evolved into extremely sophisticated marketing and distribution tools for the airlines. which own them. In the process, they have reshaped the way travel is organised and helped travel agents provide a more flexible, efficient and global service to their custom-

Today CRSs are an indispensable part of the travel industry. In the US, the most mature CRS market, an estimated 95 per cent of all travel agencies are linked to at least one CRS, \$8 per cent of all air-line tickets are issued through a CRS and travel agents account for 75 per cent of all

All the main CRSs now include features which enable travel agents directly to access a participating airline's own computer database and make "real time" bookings and reser-

vations. Sabre itself has more than 109,000 terminals installed in over 25,100 locations through-out 65 countries. Its high security underground computer complex in Tulsa, Oklahoma, holds details of 45m fares from 651 airlines, together with other travel data on hotels and car rental companies.



nmunications systems at Lancaster House hotal, near Lancaster

It is the market leader in the fiercely competitive US market with about 40 per cent market share, ahead of Galileo International, formed earlier this year through the merger of the US Covia (Apolio) and European Galileo groups; System One, which is owned by EDS; and Worldspan, which is owned by a consortium of airlines fucinding Delta, TWA and North-

However, Sabre has had more trouble breaking into Europe - a market which unlike the US is still growing. Amadeus - owned by Air France, Iberia Airlines of Spain

The advent of global industries and large-scale interna-tional travel for both business and leisure purposes has ing forces shaping CRS development. As travel agencies have followed their customers overseas and formed international alliances, CRSs have been forced to do the same.

"To be a successful CRS, you need to be in touch with your customers - the travel agents, says Mr Allan Loren, Galileo International's chief executive. "As they have become more

With pressures to provide a global service, many in the travel industry think, even after a flurry of recent agreements, further consolidation is likely

and Lufthansa German Airlines - is the market leader in Europe with around a 50 per cent market share according to Ovum, the UK-based technology consultancy which tracks value added network services such as CRSs in its informa-tion service, "Vans Market

As Ovum noted in a recent report: "Europe has recently seen a revolution in the CRS market, with two rival European systems (Galileo and Amadeus) replacing individual countries' reservation systems." Indeed, Europe is part of a much larger battle between the large CRS operaglobal, we have had to become more global." This, he says. was the logic behind the recently completed merger of

Covia and Galileo. The new Galileo International, which claims to be "the largest and first truly global CRS," with a 30 per cent share of the worldwide market, is owned by 11 European and US airlines, including United Airlines, British Airways, Swiss-air, KLM, USAir and Alitalia. Its Global Access product

enables travel agencies to inte-grate information from Galileo International's three separate databases, Apollo, Galileo and Gemini (the associated CRS in Canada). Using it, a Galileo-automated agency in London can retrieve a customer reservation created. by an associated agency using Apollo in Chi-cago and make any change required by the client en route.

However, although the merger has enabled Galileo to take advantage of such factors as economies of scale and a centralised administration and data processing structure, Mr Loren emphasises that Galileo International recognises that region has distinct

Accordingly Galileo, like its European rival Amadeus, has been set up to work with individual national distribution

ments and local needs back to headquarters. Gallleo's motto, says Mr Loren, is: "Think global, but act local". Amadeus provides its service through locally-based National Marketing Companies (NMCs) but has also set its sights on building a global network. However, a planned partner

local content like rail and ferry

fares and are responsible for

Galileo's customer sales, ser-

vice, support and training -and for feeding customer com-

ship between Amadeus and Sabre fell apart acrimoniously in 1991 because of last-minute disagreements. Since then, Amadeus, Worldspan and Abacus, which is owned by five Asian airlines, have formed a which their respective computer reservation systems are being interconnected.

Given the pressures to provide a global service, many inside the travel industry think that, even after the recent flurry of mergers and agreements, further consolidation among the CRSs is likely. Eventually, many believe the total number of CRSs will

shrink to just two or three.

It is unlikely that any new CRSs will start up because of the huge costs involved. Charging policies vary between the CRSs. Both Sabre and Galileo charge travel agents a small sign-up fee but, once a travel agent has reached certain booking levels, the service is free and the bulk of the CRS's revenues come from the partic lpating airlines which pay about £2.50 for each fare segment booked.

For the airlines this is a small price to pay for a highly efficient distribution system, but CRSs have another big attraction for them. Data col-lected by the CRS enables an airline to run its own sophisti cated programmes called revehue management systems (RMS) or inventory control.

These systems are designed to juggle the availability of fares in order to maximise the revenue collected by each flight - vital in a fiercely competitive deregulated market like the US or the transatlantic

The existence of such power ful marketing tools has made CRSs and their airline owners obvious targets for scrutiny by rivals and by the regulators concerned over allegations of bias in the way systems dis-play or handle data.

In Europe this led to a bitter public battle earlier this year over the passage of a new EC code of conduct governing CRSs.

However at the end of Sep tember a new code of conduct was finally agreed by the EC Council of Ministers based on a compromise which has been generally welcomed through out the industry and appears to have re-established an uneasy peace between the

Paul Taylor

lelecommunication professionals find Singapore engaging. See what holds your attention.

The Asia Telecom Show '93 won't be the only successful convention that showcases Singapore as Asia's leading meeting destination. Each month there are new exhibitions, new conferences and new meetings where you can exchange the latest on your industry or products. Not to mention a whole new world of entertainment in the city where the best of the East and West come together. Convention City Singapore. Your direct line to the world.

☐ 22-25 March 1994

SingaPort '94

Golf Asia '94

☐ 12-15 April 1994

ProPakAsia '94

☐ 6-10 August 1994

Exhibition

☐ 31 March - 3 April 1994

4th International Congress

on Lasers in Dentistry

12-16 September 1994

☐ 7-10 December 1994

8th International

6th World Meeting on

Impotence Exhibition

Conference on Biomedical

Fran	kfurt	and	
Lond	on c	oser	on
mone			_

Fly London City on the Bank Express' THE decision to base the (including the Financial Times).

European Monetary Institute in Frankfurt provides a major boost even earn miles in Lufthansa's

to Business Air's weekday services frequent from Miles and from London City was feen 180 1233-20 liter 184 Monday Fronz More'. All in all, with Landon City Airport - Frankfort Aircraft great value Airport In cooper-Da. Heer Dep. 1445 Arr. 1716 BAc-146 just what the Lufthansa, the new

'Bank Express' provides

link afficient between Europe's financial capitals. 15 minutes from Tower Bridge to London City Airport. ten minute check-in, then 90 minutes to Frankfurt on board the smartest short haul jet in the business, 82 leather seats, fine cuisine, champagne, bar service, complimentary newspapers

Frankfurt provides a major boost to Business Air's weekday services frequent flyer bonus programme

11/1.H6858 Dop.1855 Arr. 2128 BAc-145 Return flights from Frankfurt for further depart 0735 and 1800. contact your travel agent or call Business Air in London on 071-353 2088 or Lufthansa in Frankfurt on 069-255 255.

EUROPE & BEYOND

37 SCHEDULED DESTINATIONS ARE EASIER FROM LONDON STANSTED AIRPORT Tel:0279 680 500

☐ 2-5 June 1994
The 4th Singapore
International Dental
Exhibition & Confere

23-28 January 1994 18th International Congress of Radiology (ICR)

CONVENTIONS 1994

ASEAN Tourism Forum 94

■ 8-13 January 1994

CommunicAsia '94

Conference

(ATF '94)

☐ 22-23 September 1994 22-24 March 1994 6th International 6th Singapore International **Bunkering Conference** (PETROCHEM '94) (SIBCON)

12-15 April 1994 1st International Congress ProPakAsia 94 Conference on Dialysis in Developing Countries ☐ 1.4 June 1994

(SIDEC)

6 10 August 1994 4th International Congress on Lasers in Dentistry

Petrochemical Conference ☐ 2-5 November 1994

EXHIBITIONS 1994

23-25 January 1994 18th International Congress of Radiology Exhibition

Dentistry 94

☐ 18-20 February 1994

Engineering (ICBME) Exhibition TRADE DEVELOPMENT BOARD

Please send me: The trans unformation about the Conventions & Exhibitions indicated

Of the Singapore Convention & Exhibition

To. The Singapore Convention Bureau, 1st Floor, Camington House, 125-130 Regent Street, Landon W1R 5FE, United Kingdom, Fax (071)734 2191

C . CONVENTION CITY

Head east for value and comfort

region even now, as western businesses shift their focus of operation eastward in an effort to tap rich opportunities. Culturally, it is a colourful area in which to do business. you enter the country.

Most Asian nations practise their own brand of capitalism which is a mix of industrial policy and freewheeling competition. But it is also a corrupt continent. Corruption is idemic except for one natio Singapore. It is probably at its worst in China and Vietnam.

BY THE year 2000 the gross

domestic product of south-east

Asia - from Japan to Indonesia

will equal that of the US and

total about four-fifths that of

the European Community, No

one doubts the might of the

In terms of creature comforts, however, only superlatives will do. Hotel accommodation in the region is among the best in the world and offers far better value for money than Europe due to its much lower lahour costs. The exceptions to this rule are the emerging nations - Laos, Myanmar (formerly Burma), Cambodia, Vietnam and parts of China - and here you will need guidance.

Domestic flights within these embryonic countries still leave a lot to be desired, but western joint ventures will lessen the discomfort and danger in time. What is absolutely essential is flight reconfirmation as overbooking is rife; do it as soon as

Brushes with chicanery are most commonly found with taxi drivers in Vietnam and Cambodia but less so in China. In Hanoi, it is common practice to overcharge the foreigner

It is a colourful area in which to do business, but corruption is endemic

who seeks a ride downtown in one of the minivans that sometimes double as taxis; in effect. the foreigner pays for all the locals who squeeze in after

It is a safe bet to halve whatever figure is suggested. The hour-long journey to downtown Hanoi should not exceed \$15 but be warned that it will usually be in ancient and nonairconditioned vehicles. In Ho taxis are usually modern, Japanese cars but the much shorter distance - just 41/2 miles - will still cost \$10, but no more.

Getting around in either the federal or commercial capital is by taxi or cyclo (bicycle taxi) but the latter are not really practical if you want to turn up at an appointment in suitable condition as they take the many potholes particularly badly. And attempts by the drivers to keep you dry during the frequent heavy rainstorms are usually pointles Staying in Hanoi, Vietnam's

federal capital, is usually necessary on a business trip in order to get licences, contracts and the like rubber-stamped. The choice is easy as only one hotel is up to western standards. The Metropole is man-aged by the French-owned Pullman chain; it offers western facilitles such as direct dial telephone, air-conditioning, satellite TV channels, in-house videos, mini-bar, laundry and

Chi Minh City, by contrast, dry cleaning and a swimming pool. Rates start at \$130. The hotel also offers an airport shuttle bus.

In Ho Chi Minh City there is more choice. The older properties with a sense of history and character, such as the Continental, Cuu Long Majestic and the Rex, are more than adequate and it is worth upgrading to junior suites in each case for a nominal premium rate. Deluxe rooms are around \$70 in each of these properties and suites from \$90-\$130. The two modern properties are Saigon Floating hotel (all mod cons but small rooms) and the Century Saigon on the main street. Nguyen Hue Boulevard (bookable through Utell). But they are also more expensive, at about \$150-\$175 for singles

If business takes you to Phnom Penh, Cambodia, then, like Hanoi, there is only one sensible choice, the Cambodiana on the edge of the Mekong river. It is not cheap but is the

and \$260-\$350 for suites.



The Oberoi Towers, in Bombay,

only clean, western option. Taxi rip-offs are commonplace. In China, western standards of accommodation are easier to come by, especially in Beijing and Shanghai. The country's economic boom means that booking well ahead is essential to avoid disappointment. Doing business needs patience; this is not a place to make a quick dollar. And punctuality is vital; better to turn up early

In the sprawling capital city, it is essential to choose your hotel by location if you are to avoid Beijing's notorious traffic snaris. Among those centrally located are China World, its three-star sister property Traders, the Palace and Holiday Inn Crowne Plaza. To the north-west are the Shangri-La and ANA Beijing New Century hotels and to the north-east of the city centre - towards the embassy district and en route to the airport - are a cluster of hotels of note, namely Kempinski Beiling Lufthansa Centre, Swissotel and Sheraton. Rates range from \$120 to \$240. One locally-run hotel worth noting is the centrally-located Jianguo Beijing, where rates are

around the \$100 mark. Always allow extra time to get to appointments in Belling: traffic volume (both cars and bicycles) will infuriate you. Cab drivers often have difficulty finding your destination and few of them speak English.

Telephone calls from abroad Easiest country to make calls from Country 294 46 Germany

Singapore Netherlands Hong Kong 27 Worst country to make calls from

48 41 32

8.6

Have the hotel beliman write the address in Chinese and give the driver specific directions. Long journeys will not necessarily cost you a fortune as cabs are cheap; from Y2 per km and with a minimum fare

of Y12 (£1.40). Your best transport option downtown from the airport is the notel bus. Allow around an hour for the trip and a fare of Y70. The extensive construction work on this stretch of road should now have materialised into an expressway linking Beijing capital sirport with the town centre so the journey time should now be less than

an hour. Shanghai, China's largest industrial and commercial city. is an altogether more compa city, which makes walking to appointments viable when the traffic is at a standstill - and it.

often is. The Portman Shangri-La is the best hotel option in Shanghai; a huge combined office, apartment and hotel complex with good western standard restaurants. The Sofitei Hyland, Hilton, JC Manderin and Shanghai International Equatorial are also good options. The airport, some 14 km away, can be reached in 39 minutes on a good day, but allow plenty of time as the queue for taxis is often horren dous. The fare in an hotel cal is Y200 but in a taxl only Y40 Y70 (depending on whether it is a small or large taxi).

THE SPREAD of lawlessness in former eastern Europe has been well enough publicised to put every business traveller on guard, yet the great game of ripping off

the foreigner flourishes unabated. A rampant underworld has taken hold in eastern Europe since the demise of communism, taking the form of racketeering, prostitution, drugs and arms dealing and protection rings. Violence often erupts as opposing gangs fight for control. Corruption and bribery remain a

reality of everyday business life.

A phenomenal haul of weaponry turns up regularly in traffic checks in Moscow, while there have been deaths on the streets of Prague as Mafia-style gangs take control of taxi stands. One taxi driver was recently murdered in the middle of the day on Wenceslas Square after a passenger had been ejected from another taxi, whose driver thought her destination was not

profitable enough. The best advice in Prague is not to use the taxi stands in the city centre - at least, not at Wencesias or Staromestske but to ask staff in the office that you are visiting to call a taxl. In any event, always check that the taxi meter has been turned on and that it is on level 1, otherwise you will be charged twice the amount it should be. Ignore demands for a flat fare; inevitably it will be more than a metered

This is particularly so for the run-in from the airport to downtown, some 20km. It should cost no more than Kcs300-400

Why you need to be on your guard in eastern Europe

The game of ripping off the foreigner

(27-29). The city itself is very compact and the business district cramped into Praha 1, so most of it is walkable. Alternatively the metro provides the quickest mode of transport for longer journeys; it is clean and simple to understand. The three-line underground system is coded by colour, letters and the end-station name. A one-day, all-transport pass costs just Kcs30, a five-day Kcs100. Remember to validate the tickets in the yellow machines inside the station before you travel,

otherwise you are liable to be fined. Hotels in the city are generally soulless and impersonal, many of them being large, modern structures, such as the Atrium and Forum, which nevertheless charge western prices. Cosier in size and more stylish is the Palace (rooms from \$380) while the inter-Continental (remember to request new rooms), Diplomat and Praha Penta are about \$50 less and offer a good standard of service. Note that there is an enormous 28 per cent tax on hotel rates.

There is also an outsize bureaucracy, so do not expect to do your business in a rush. And it is essential to take an interpreter in a country where new laws have yet to be tested.

Much the same can be said about doing business in Moscow. You need a lot of money and time, as well as a long view while the economy stabilises and the legal framework is set up. Visitors can at least stay in comfort while they wait as hotel standards in the city have improved enormously as good, privately-run hotels have gradually replaced the depressing Intourist-run establishments. There are no

overcrowded. A better bet is the tramway; more comfortable still would be your own

It is not advisable to get a taxi downtown from the international airport, Sheremetyevo Two - it can cost up to \$60. Robberies and extortion are commonplace. Your hotel may provide a taxi service; better still, insist that you be collected by car by the company with which you are

Hotel standards in Moscow have improved enormously, but getting around has got progressively worse. The metro is seriously overcrowded, while taxi charges can be extortionate

bargains though; expect to pay at least \$200 a night, plus an array of extras which anywhere else would not be charged for. Some of the top hotels are the Radisson Slavyanskaya, Baltschug Kempinski.

Metropol (run by Inter Continental), Savoy. Palace and Penta. The ones to avoid are the Moskva, Izmailovo, Cosmos and Rossiya. Getting around Moscow has got

progressively worse; traffic congestion has

forced more people to use the metro.

which is cheap and quick but seriously

dealing.

Alternatively, Wagons-lits Travel offers "meet and greet" service which includes transfers to and from the international and domestic airports, use of private car and driver, assistance with customs and immigration formalities at the domestic airport, a visa invitation letter, English-Russian interpreter service and sightseeing and theatre trips. Prices start from £35 for a one-way transfer.

in Warsaw, foreigners are recommended to stay in the open areas of the Polish

capital, to dress down and watch their wallets. On the plus side, hotel standards are good, starting with the butler-serviced and luxurious Forte Hotel Bristol, the Warsaw Marriott (go for corner rooms for bigger bathrooms, or its executive floor), Victoria Inter-Continental or cheaper Orbis Holiday Inn. Many hotels offer airport transfers. Bureaucracy here is a problem and a Polish partner is essential

to garner local sympathy. Travelling from Ferihegy airport into Budapest, a 25-minute journey, is best done by airport bus. Buy a ticket (Fbs00) in the arrivals hall and it will drop you anywhere in the city. The taxt ride is liable to be a rip-off; it should be Ft800-1,000 but drivers regularly charge

twice that amount. Choosing where to stay in the city is an altogether easier affair, though booking ahead is advisable particularly if you are visiting in spring or autumn. The Grand Hotel Corvinus Kempinski is the finest of all, followed by the Atrium Hyatt and Forum. The Gellert is also good but definitely in need of its planned refurbishment while great things are expected by end-1994 after Marriott's

redecorations at the Inter-Continental are completed. Single rooms in these hotels are around the DM306 mark, although the Hilton is only DM250.

Finding suitably dedicated staff is one problem faced by foreign companies in Hungary, another is office rents that are higher than those in Vienna. Be warned

that pickpockets are a constant irritant. Berlin suffers less of the problems assoclated with emerging business destina-tions; it is boom time in the new German capital so hotel reservations need to be made well in advance. The appositelynamed Grand is situated on Unter deal. Linden, the old embessy district in former east Berlin, and is perhaps the best, though some prefer the Bristol Kempinski on the Ku'damm or the Schweizerhof. Others in the top league are the Inter-Conti-nental, Grand Hotel Esplanade Berlin and the Hilton, which is located next door to the Treuhand.

Taxis are expensive, around DM3.60 per km. But help is at hand in the form of an inexpensive and efficient mass transit network, the S-bahn train, the U-bahn underground within the city limits and the bus system individual tickets cost DM3. Taxis from Tegel international airport to downtown - a journey of around 30 minutes cost around DM30 in metered cabs. The 109 bus does the trip every five to 10

Gillian Upton



NCHES MORE POUNDS LESS.

BusinessFirst you get the most advanced and comfortable sleeper scut available on any airline anywhere in the world.

The 15 extra inches of legroom, compared to most of our competitors, makes all the difference when you're travelling over 3,000 miles. It also has a personal video system with a choice of six films. Not to mention first class food and service throughout the flight.

We'll even collect you from your home by limousine on the morning of your flight.* Or give you a complimentary night at the Gatwick Hilton.

And as an added bonus, you can join our award winning frequent flyer programme OnePass and carn miles every time you fly.

All for a business class fure.





One Airline Can Make A Difference."

NON-STOP FROM LONDON TO NEW YORK, HOUSTON AND DENVER AND ONWARDS TO OVER 140 U.S. CITIES.



ANYONE LOOKING at a photograph of sirliner cabins in the old days might be for-given for thinking that life had

boot was in its heyday, passengers at at dining tables and could stand up without hitting their heads on overhead luggage bins.

Today, business class passen-gers on short-haul flights are likely to find themselves crammed into space more normally associated with public more leg-room

Even on long-haul flights, buyers of tickets that cost thousands of pounds are forced to catnap in seets that seem to be designed so that only one position is comfortable. No position is comfortable. No carriers give to first class pas-wonder that British Airways' sangers: there are no second new arrivals lounge at Heathrow ~ where incoming travellers can have their clothes Vergin or Continental. pressed - is so popular

8 1 12 to

P 5 1

The days of cruise liner ser-vice and space may have gone; which have the kind of extend-But there are still some real, ing legrests that other carriers differences in cabin comfort to, fit only in business and first be from between strikes. be found between airlines.

turers recognise this, and the Some airlines have taken launch of a new model gives them an opportunity to add space as well as increase range rapid advantage of this. Virgin, Continental of the US and Bya Air of Taiwan already make a and fuel efficiency.

gers really want is space.

helpings of Beluga caviar or Chateau Mouton-Rothschild on

selling point out of offering The likes of Airbus and Boeing have introduced models Virgin and Continental have fitted first class seats but sold them at business class prices. which are simply bigger than their older rivals.

They recum some of the lost revenue by dispensing with the more opert becuries that other Airbus and Boeing have introduced models which are bigger than their older rivals

The Airbus A320 competes Rva has extended this princidirectly with the Boeing 737 for short-haul markets such as Western Europe, south-east Asia and domestic US. A320's passenger cabin is 25

with more headroom. It is one of the factors behind the success of Airbus and hence Boeing's \$1.5bn plan to upgrade

AIRLINE COMFORT

Space: the final frontier to cross

But Boeing's main hope for the 1990s is the long-haul 777, scheduled to enter service in

The 777 will be able to carry over 300 passengers - less than the 747 but more than the 767. It will be a twin-engined alternative to the new four-engined

Boeing has made passenger comfort a big seiling point for the 777 as it tries to persuade cash-strapped airlines to commit themselves to buying the new model.

One significant change is that the cabin floor is lower in

room because the ceiling begins to curve over their heads at a greater height above the seat, while aisle passengers have more headroom because the stowage bins are set

Boeing argues that extra headroom all-round also gives passengers the impression that there is more seat room in the 777 than there is in a 747 Jumbo jet, even though there is not.

Impressions are important in attracting the business traveller. And that most elusive of incentives to fly with a particular airline - the feeling of a pleasant surprise - should be at the top of the list of priorities when airlines serve the says Mr Chris Lane, chairman

are already spilling from first into business class cabins. There are satellite links for telephones and faxes on Singapore Airlines, live broadcasts from BBC world service radio on Cathay Pacific, with the promise of live television to come. Next year should see

> Engineering marvels such as adjustable headrests with built-in speakers

keyboards attached. Virgin Atlantic, having already offered a masseuse to business class passengers, says it now wants to introduce gambling in the skies.

cretionary spending be justified during the airline industry's biggest recession for almost 50 years? Is it clear which of the changes would through a greater number of But these changes at best satisfy the business passenger and rarely delight them, passengers paying higher ticket prices? Perhaps most importantly: why not eliminate argues Mr Lane. What is innovative now can be humdrum in innovations work for a rival

questions being asked by air-lines executives. Can such dis-

and then simply copy them?
And therein lies the attraction of newer models of airing 777. Not only do business passengers value the extra space, but sircraft purchase taken as lightly as a cabin refurbishment: it can take years, and billions of dollars,

cally and width-wise, computfor a competitor to catch up. Of course, buying a new erised ordering of drinks ("enhanced with photographs") model of sircraft is an expenfrom the seat and even videos sive way of creating a better product. But it is a step that can be taken by large and rela-Now the scheme, called Romantech for romantic techtively financially healthy carrinology, has been shelved indefers that are alreedy winning

Do you really control your travel budget?

We can help you manage your business travel costs.

Call Uniglobe Travel for a free evaluation of your company's current travel expenditure.

100000N EI 071-702 ECI 071-250 EC3 071-814	1006 Besley 9944 Boumemouth	0296 399877 0322 553622 0302 759965 0344 901313	Reading Sloogh Southempton Sutton Wadord Webuya Ganden Op	9734 664440 9753 559777 0703 330111	MORTH Gateshead Leeds Liveds Livespeet Hencestle Wanchemer Warrington	691-491 3346 1632-46330 051-342 1886 001-281 6800	SCOTLAND Aberlinen Edinbergh Glauger	6/24 21/977 831-225 786 641-221 8982
WI 071-560 Eurston 071-358 Frachley 081-446 Hammessmith 081-663 Normal 081-422	4868 Brenswood 5800 Brighton OSSS Cambridge	0277 233811 0278 563577 0228 300688 0206 845558		(MET 22001)		06)-877 5/07 0925 234524	MONITHERN DELAND Beller 6252 3903 CHANNEL ISLANDS	
Hamow 051-25 Halborn 071-465 Islemonth 081-568 Kensington 071-856 Victoria 071-233	4415 Flurebara 9990 Guildiord 4936 Horley	9489 88 (888 9463 300 138 9223 825825 9822 750058	Simple gram Noting ham Tellord Nalsoft	021-538 0911 0802 240222 0952 290517 9922 541528	Bastol Plymonth	100 to	Gaussiancy	0451 726270

METURE

INDEPENDENTLY OWNED Means Better Personal Service.

Relax in the world's most comfortable First Class seat.

six months' time.

Airlines may be beginning to

recognise this. Three years

ago, Japan Air Lines set its

engineers the task of dreaming

The result was a series of

proposed engineering marvels including adjustable headrests

with built-in speakers, seats

that could be adjusted verti-

of soothing landscanes.

about a future aircraft cabin.



in our seating configuration, each pessenger has more space. Our First Class seat reclines to 165-ten degrees more than on other leading airlines and the leg rest has a fingertip control for just the position-

Saudia's food, of course, is legendary, served on fine china with a choice of seven hoes d'ocuvres - including cavier - four main dishes and two desperts. On some load hand flights, it's prepared and served by the chef himself. No wonder it wine awards

Add to this a touch of Saudi Arabia cardamon flavoured Arabic coffee with succelent dates and the discreet attentions of our cabin staff while you lie back in hixury. Ahlan Wasahlan, Welcome aboard.



Proud to serve You

BUSINESS TRAVEL

Jim Kelly gives some hints on how to cope with a growing problem

Safety first is best advice abroad

"One of our executives wa

involved in a hijack and found himself confronting a terror-ist," recalls the head of security at a global multinational Later he told me: 'I suddenly remembered what you had said. The words DON'T

STARE HIM OUT flashed

GOOD ADVICE on personal safety can do a lot for the aver-

age business traveller: it can

preserve your health, save you

money and protect your deal. And in rare circumstances, it

can save your life.

before me. I dropped my eyes'." For most business travellers the dangers are more mundane - and so is the advice. The same security expert who handle a violent hijacker has some more earthy advice for those travelling abroad.

"I tell them to behave as if they are on holiday with their bank manager, their doctor. their boss and their mother-in-law." That advice, modified by the fact that 23 per cent of all business travellers are women, boils down to a plea for normal behaviour.

But normal behaviour is not always enough. Here is a every trip is different, so think about problems that may arise and take advice before setting

• Dress down. If you don't need a business suit, then • Don't travel with company logos emblazoned on your

briefcases, etc. • If finance allows, stay on the executive floor if the hotel has

• Go for an hotel with valet parking and card keys. On-site restaurants may be useful in some cities. Never hang a "Please clean my room" sign on the door!

 Be guided on sirlines. Think about regional tensions. If in doubt, take the national carrier out of any country with inter-• Try to take direct flights. Don't wear conspicuous jew-

ellery, watches, etc. • If you are really worried, shop around and find a business travel agent with a "meet • Be guided by your host. At

least, give yourself time to

become acclimatised before any adventurous outings Learn something about local customs. Try to find out specific areas of national reverence, both religious and politi-

better to get one from an hotel.

Try to avoid taking close-up pictures of people without their consent

• Read about your destination, especially in up-to-date newspaper coverage, prior to

 Do not discuss your travel plans with strangers. When travelling to a new

"Suddeniy i remembered what you'd said. The words DON'T STARE HIM OUT flashed before me, I dropped my eyes"

country for the first time, it is kind of briefing on the kind of environment in which you are likely to have to do bus

The Foreign and Common-wealth Office publishes "Dos and Don'ts" on many countries. It also gives verbal briefings on request - these may be over the telephone or in person Trade and Industry also gives

advice on doing business

The US government also has an information system which is normally restricted to its own citizens. However, the State Department's Citizens' Emergency Centre in Washington is open to all callers and producers Travel Info Sheets on every country in the world.

by ringing Washington 647 5225. (Beware: to trigger the correct sheet the first four letters of the country must be punched out on a digital phone. On US phones ABC = 2 and so on, until PQRS = 7, TUV = 8, and WXYZ = 9). Both the Foreign Office and the US State Department information.

is regularly updated.
You can, of course, pay for security advice. The Control Risks Group has an information services division which publishes a Travel Security Guide, available on screen as well as in hard copy. It grades various destinations by safety category and tailors advice for

On the principle that information improves security,

up-to-date guide books on the country of destination are helpful. More practically, consider ing the pressures on the average executive, an airport guide

is the best way of getting off on the right foot. Thomas Cook's Airports Guide International is a good example: with plenty of information on hotel services, road and rail links. Pan Books' The Flier's Hand-

On the day after the Gulf War started, some internal European flights were nimont emply

book is good for the regular

ing a business traveller on a trip to a strange country is the tion. On the day after the Gulf War started, for example, some internal European flights were reach world attention through headline stories which do not reflect everyday working life.

in contrast, dangerous destinations can appear innocuous. The recent incidence of lethal attacks in Florida, for example, should be seen against the fact that living there is still more dangerous than visiting the state. In 1992 1.8 per cent of all homicide vic-

tims were foreigners. As a spokesman for the Foreign and Commonwealth Office points out, the number of business travellers mugged each year abroad is "very few". Last year Britons made 31m visits overseas and there were 25 reported homicides.

Part of the problem for many

business travellers from Europe and North America is that they are often moving from a "low crime" environment into a "high crime" one. Because businessmen are usually well-insured and will probably want to return home promptly, crimes in which they are the victims are less often resolved that those concerning other tourists since the key witness may already be out of the country when the criminal

There is a marked trend

among business travel agents towards "partnership" with the client company and this can only improve the services offered to travellers on arrival at their destination. A good example is Wagons-lits Travel which offers a "meet and

greet" service in Lagos and Moscow: and in the latter a taxi service with security cleared drivers. In the travel trade generally there is agreement that more travel information is needed Who provides it is a more difficult question. Many travel agents and airlines are wary about giving advice: they fear legal liability either by omit-

ting key information or including out-of-date or faulty advice. Business Travel World, the new trade magazine, recently canvassed the views of agents about the updating of safety information and the respons bility for providing it. The magazine concluded: "Comments tend to reveal that agents in continental Europe are more anxious for action than are their counterparts in

For example Mr Jan Van Steen, of BBL Travel, Bruss secretary of the Belgian Guild of European Business Travel Agents, says: "It's not enough to read all the newspapers. On a national and international



KLM's business class lounge at Amstardam's Schiphol Airport is among the largest facilities of its kind in Europe

FOR THE ordinary airline A look at facilities available on the ground for those awaiting departure passenger, the airport depar-

How to lounge in luxury

eller can get away from all instead of noisy milling crowds and long queues, he or she can enjoy a dizzying array of services ranging from the tical, such as access to high-

tech office equipment for those who still have work in mind. Business passengers can now sit in the cloistered calm of their very own lounges. Some of them will have access to special queue-beating Fast Track systems designed to get them on their flights as quickly as

ture lounge is often a dismal torture. But the business trav-

One of these systems for first-class and business passengers is now being used by more than 65,000 travellers a month at Gatwick Airport, London. with 60 per cent of them citing it as a significant factor in their choice of sirport.

20.

111

Fly First or Business

Class and you can

take your partner

along for half price,

For more details please

London Tel: 074-734 9841;

Manchester Tel: 661-334,4436.

Binningham Tel: 021-643 9005

SAAD

At Gatwick it offers a dedi-length down for the business £500,000 business class lounge bers and their guests and the cated security channel and traveller. The high frequency at Heathrow which offers a Airport Business Centre, there s well as pri- fiver, particularly ority desks at Thomas Cook and Travelex bureaux de check-in or gate check-in. change for picking up previously ordered foreign currency.

Similar Fast Track facilities are operated by a number of airlines - including Virgin Atlantic, Air Canada and Air Malta at Heathrow Airport, London. KLM, the Dutch airline has its own check-in systems in place, designed to

There is even a special till at

speed up the process. Mr Barry Evans, RLM dep-uty marketing director, UK and Ireland, says: "We hope to keep the queueing time and

wants to make the time spent as short as possible with later

"It has been said that if you run a perfect operation the traveller can't remember who he flew with! The aim is to make air travel smooth, effortless and memorable."

At its home base at Amsterdam's Schiphol Airport, KLM has two business class lounges which between them cater for more than 300 nassengers. Personal computers, printers, fax machines and access to car rental and rest and business areas are provided. Last autumn. KLM opened a

and telephones and complimentary refreshments, and

accommodates 35 passengers. Business users provide one third of our total revenue. This is important traffic which is vigorously competed for," says Mr Evans. He adds that the business customer is looking for value for money and a difference between economy and

business class. In Germany, the Frankfurt Airport Centre, directly connected to the terminal departures level, offers a variety of services for business travellers. Besides Airport Club Frankfurt, a business club for mem-

tre, which has equipment for live TV and radio broadcasts, a simultaneous interpretation system and facilities for worldwide conferences via satellite.

At New York's Kennedy Airport, individual airlines operate their own business loung which provide facilities enabling the passenger to get on with some work or to relax.

Claiming to be the largest operators at Kennedy, Heathrow and Gatwick, Travelex foreign currency services offer airmiles on currency transactions to British Airways Executive Club and Latitude card



Sarry Events hoped to lose the

Travelex operates a system which almost amounts to having currency on spend or return. Customers exchanging 2300 or more can change back up to 30 per cent at the same exchange rate, commission free, for a month after the orig-

At Heathrow Airport, Virgin Atlantic has opened what could be described as the ultimate in lounges for the Upper Class (business class) traveller - the film Virgin Chibhouse at

Terminal 3. The accent is on luxury and there is something for just about everyone. Facilities include a health spa and preflight grooming salon offering massage and aromatherapy, a library with over 5,000 books, a timber-panelled, acoustically isolated music room and a aindy featuring mini offices with state-of-the-art technology for those who feel the need to

do some work. Mr Stephen Ridgway, Virgin Atlantic's marketing director, says that business travellers in revenue terms are very significant in what overall is a phenomenally competitive market. He adds: "We are pushing the envelope all the time to provide a total travel experience — to influence and control the passenger situation from

the time they book the ticket

at home to the time they ge Over at Birmingham International Airport, the £60m terminal Europub has business facilities, including the opportunity to use secretarial services. Passengers with just hand baggage can also check in at either the concourse, ticket and information desks or the departure gate.

Ms Sheila Lashford, Birmingbam Airport's head of external relations, says: "Europub is principally for business travellers and was designed with them in mind. The check-in time is around 35 minutes and the longest distance you have walk is 250 metres.

"The business person wants everything to be smooth; he or she wants to develop tunnel vision, to take a path through the airport onto the flight. However, he or she still wants goods of a specific quality and emenities. A cup of coffee has to be good coffee, so we have to ceter for all that."

At Heathrow a new Business Centre run by Thomas Cook has opened in the Queens Building between Terminals 1 and 2. It has a members lounge and facilities include telex and workstations. There is even the opportunity to take ver before you leave. British Airways has opened

The longest distance to walk at Birmingham Airport's Eurohub

the doors of three new departure lounges for premium passengers at Heathrow's Termi-

is 250 metres

Mr Michael Batt, British Airways director of marketing. says of the new "lounge pavil-ion": "Business travellers are looking for speed, space and support to do business. They have to deliver and we have to be in the position where we help them deliver."

Jankin Stachura

"But I don't think the

biggest problem business-

women face when they travel

is security or loneliness. It's

having to keep up appearances. We need to able to get sewing

kits. We need to be able to have a shampoo and a blow dry before a 9.30 am

TRAVELLER'S TALE: Adele Biss talks to Michael Skapinker

Adele Biss, chairman of the British Tourist Authority

Hand luggage is really all you need AS SOMEONE who began her business career in the 1960s taking coach-loads of tourists around Europe, travel has long been part of Ms Adele Biss's usually recognise her.

working life. Her subsequent career in public relations was largely spent representing compar in the tourist industry and travelling on their behalf. Her appointment as

chairman of the British Tourist Authority last May has made one important difference to the way she travels: she no longer has to find her own way to hotels in foreign cities. There is always a local

representative of the authority at the airport to meet her. She does not have to search for a piece of cardboard with her name on it, her photograph has been widely circulated since trip, either in the UK or her appointment and staff

"It's tremendous to see a welcoming face," she says. "The first thing they do is take my luggage off me." Before she was appointed to her current iob, she says, "one of the worst things was to arrive in a city and wonder how I would get to the centre. It's unconfortable coming thred off a flight and getting into a taxi whose driver doesn't speak English, even sometimes when it's in an English-speaking country.

Heading the drive to attract tourists to the UK involves constant travel. "It's Jo'burg

abroad, every 10 days or so. Although, as head of a tourist authority, sightseeing is part of her job, she tries to

keep to a minimum the

Airlines have become better at looking after women travellers

number of days she is away from home. "I'm normally travelling alone and it's time away from my family," she

Finnalr's Helsinki Special Business Class Fere

£475

Like many veteran ravellers. Ms Biss keeps her luggage to a minimum. A priority of many business travellers is to avoid waiting at the baggage carousel to see if

she says. "There are the usual problems like being shown to a lousy seat in a restaurant. you have. Ms Bise says: "I can travel

for a long time on hand luggage. The trick if you are a woman is non-crease, light fabrics. I take a suit with different blouses, so that the bulk is in the suit and the variety is in the blouses." Airports and hotels do not

help women travellers much

with their clothing, she says. There is usually an airport shop selling ties. Shops selling tights are far less common. Ms Biss says airlines have become better at looking after women travellers. She tries to travel on a UK carrier, which means she usually files British Airways. "They're quick to

help with your bags and I like

the fact that most of the cabin

crews are mixed male and

Most hotels do not know how to look after women travellers.

Winter Saver

• Valid for Stayel from 1 Movember - 21 M

Stry wast include a Saturday right,
 Choice of 19 Pinnels Sights a week.



appointment."

in the heart of Barcelona Totally soundproofed

110 rooms, 5 suites Café del Callery - Brasserie Scotch Bar Meeting and banqueting facilities Sauna - Fitness center Satellite TV Garage

Rosellon, 249 Between Po de Gracia and Ribla. Catalona Tel. 34-3-41599 11 Fax 34-3-415 91 84 lelex 97518 GLURY E 09008 Barcelona · SPAIN

MAKE A BIG IMPRESSION WITH YOUR NEXT MEETING



private meeting, it's sure to be a huge success at the presigious Queen Elirabeth II Conference Centre. Our purpose built venue has a variety of flexible conference rooms, Lulor made to handle meetings from 2 to 1100 delegates. It is specifically designed to bost anything from large international meetings to small meetings or even private lauches. An envirble position minutes from

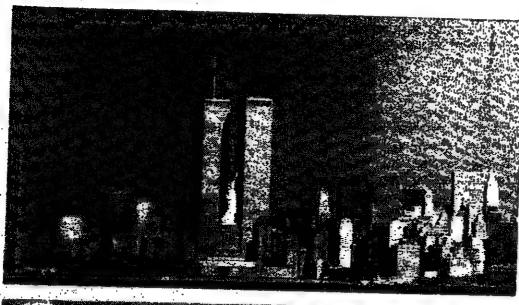
premier standards of service. a Impeciably stylish, imaginative cutsine from 'Leth's at the Centre'. = State-of-the-art in-house presentation facilities. • Winner of "Best UK Conference Centre" for the List 6 years.

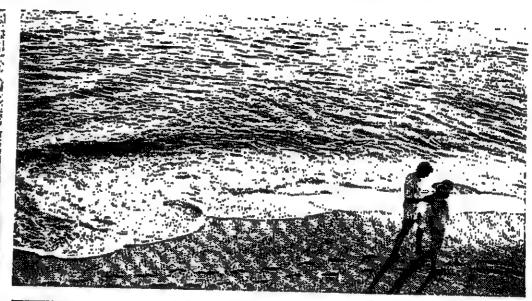
For more information or a copy of our brochure, call: 071 222 5000 ar write to: The Queen Elizabeth II Conference Centre. Broad Sanctuary, Westminster, London SWIP 3EE. Big Ben, opposite Westminster Abbey. Eax 071 798 4200. You couldn't make Experienced, dedicated staff and a better choice.



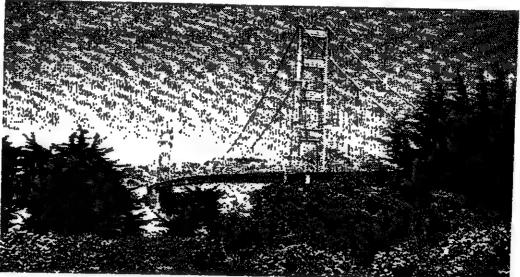
THE SECRETARY

One licket. One Airline. All Of America.









If you're iraveling to the United States, consider this: Delta Air Lines can take you nonstop to more cities in the U.S., from more cities in Europe, than any other airline in the world. And once you're in the U.S., Delta can take you on to more than 250 cities across America. Conveniently. Comfortably.

For reservations or information, contact your Travel Agent or Delta. No other airline gives you so much of America from so much of Europe.



© 1993 Delta Air Lines, Inc.

Some airlines offer more than others, reports Daniel Green

The class that counts in the air

NOT ALL business classes are the name. But their differences and temperament as facts and

The airlines that offer a door-to-terminal limousine service, for example, are often not the same as those which have their own airport

The reason is simple: big carriers such as British Airways simply have too many business class passengers to offer a free limousine service to them all. Small carriers, or those which may use an airport once or twice a day, find it more economic to offer a limousine service than a lounge. Cathay Pacific will drop you at your door within 40 miles of Heathrow without charge, but it does not have an executive lounge at the airport.

For business passengers who care to choose their airlines carefully, at least seven features should be take into account when choosing a

• Flight frequency. The business traveller needs to know that if that last meeting day grinds on or the traffic on the Peripherique is locked solid, there will be another flight home later.

Most airlines will accept another carrier's ticket, but it should really be a last resort as you may have to wait at a ticket desk, pay extra and probably lose your frequent flyer benefit. • Seat pitch. The distance

between the back of one seat and the back of the next one forward can make a significant difference to comfort on long-haul routes, especially for tali passengers. Most business classes, such as those on British Airways. American Airlines and Lufthansa, the German carrier,

plump for a 40-inch seat pitch in long-haul aircraft. Air France and KLM, the Dutch airline, however, offer 38 inches or less. On some carriers, the pitch varies between aircraft. Swissair's A310 aircraft have

36-inch seat pitches in business class, but 40 inches in Boeing impossible to beat are those on

carriers that sell first-class seat

ma

expense

gives you complete

For the Card that

pitches - 55-60 inches - to business class ticket holders. The best known of these are

the wider passengers. A finding another know. comfortable position may be

on the aircraft type as the carrier. Seventeen inches is a more in first class. But if you are flying from Europe to south-east Asia, SAS business class seats on its Boeing 767 are only 18 inches across; on Thai, they are 21 inches across. Airport lounges are increasingly becoming business tools, places in which reading, writing, phoning and faxing can be done in relative comfort. Their importance is redoubled if you have a stay in an airport for several hours, or if your business meeting can be conducted at

There are four British Airways from Taiwan to Hong Kong will find that a BA ticket will with China Airlines International, one of Taiwan's business travellers who fly

Virgin Atlantic and Continental, the US carrier, on long haul services. But look

out for Lauda air, the independent Austrian carrier run by former world champion racing driver Niki Lauda, and Eva Air, the Taiwanese carrier. Both fly between Europe and south-east Asia, and Eva has links to the US, too.

Eva has a particularly unusual philosophy: it has a four-class aircraft. The upper deck contains first and business class, and the front of the lower deck has super economy, with seat leg-rests and some other features normally associated with business class. The idea is to appeal to the budget-conscious business traveller.

Seat width. This is important for more than just

narrow seat may feel comfortable for the first hour or two. But, as seasoned flyers hard work.

Seat width depends as much typical economy seat width, 19 inches in business and 20 or connecting flight and need to the airport.

The best lounges tend to be at an airline's main airport.

lounges at Heathrow's terminal four alone. But business class flyers going get them an old sofa in a dingy room by the public canteen at Taipei's Chiang Kai Shek



carriers, your lounge would grace any European airport. Some carriers will only offer lounges to first class passengers or registered frequent flyers, as with Lufthansa at New York's JFK and Air France at San

economy, especially on short-haul routes. Their choices are usually limited to any privileges conferred by membership of an airlines executive club.

Others using London's Heathrow may prefer to pay a the good of the strline as the TRAG

the airport. Travellers on a usual business class longe facilities such as conferen room, secretarial support and

passenger. The sales pitch may be door-to-door service, but once the carrier has you on board its car, it knows you are oing to turn up for the flight that you will be on time and that you will almost certainly not switch to another carrier. No wonder that just about every long-haul sirline flying out of Heathrow offers it.

The exception, British Airways, goes some way to

making up the gap for passengers bound for New York by giving away helicopter transfers to Manhattan for both first and business class carriers. Air France does the same for flights from Paris to JPK. And remember: If you are really in a hurry to get to the Big Apple, the Air France Concorde supersonic aircraft arrives in New York before BA's

· Separate check-in and priority luggage handling. Essential tools for the executive short of time, separate check-in counters and fast luggage reclaim are standard with most airlines.

A few exceptions include: no prierity luggage handling on BA's short haul routes or any SAS routes.

 Airport convenience. City centre sirports may be irrelevant for the executive who goes straight to the departure gate from vardant suburbia, but arriving at the other end with an easy transfer downtown can be a boon. For this reason, London's City stroot is more popular with transfer ground these their streets. incoming executives than their London-based competitors.
The US is the home of the

convenient airport: visitors to the Bay area of northern California, for example, can choose from San Jose, Oakland and San Francisco Interneflocal. Oakland is the closest to San Francisco's financial

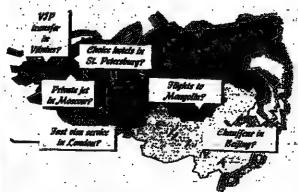
district.
At the other end of the state, you can choose to arrive at LA International, Orange County (for Disneyland), Long Beach and several others.

Taking such considerations seriously may cost you more soney for your ticket. But recognise the selling power of factors such as flight frequency and lounges. Expect them to step up their sales campaigns, as economic recovery takes hold.

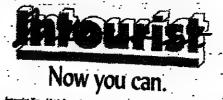




NOW YOU CAN GO FURTHER IN BUSINESS.



If you're travelling to Russia or beyond you need someone with experience. A company who knows the region, has the contacts and who moves with the times. You need, too, a business package for all your needs. So that you're relaxed enough to do what you came to do. The business. You need Intourist. Call 071-538 4482 for your free travel pack.



Tel: 07 | -530 0600, Fax: 07 | -538 5967, Teles: 27737

British Midland's Boeing 737-300: more ways than one to fly the flag

'n

Bur.

acco feeq

exclu 071 20.00 . IZO0

 $x_{i} \in \mathbb{A}_{q_{i}}(x_{i}) \times$

FINANCIAL TIMES TUESDAY NOVEMBER 9 1993

The points are an important weapon in the airlines' armoury, writes Daniel Green

Rules of the frequent flyers' game

THERE ARE so many frequent flyer programmes (FFPs) on offer to the airline passenger that it is easy to get the impression that carriers are falling over themselves to give away free flights in an effort to drum up business

In practice, some airlines are more generous than others and how much you gain from buying a ticket will also depend on where you live and what time of year it is.
An address in the US will

confer more points-earning power than one in Europe or Asia. A US resident can earn rewards from frequent flyer schemes on just about any ticket, even at deeply discounted prices. The rest of the world usually has to buy a full-price ticket to benefit. A RA passenger living in the US
who buys a discounted economy fare ticket from San Francisco to London, for example, will earn FFP points. The buyer of the same priced ticket bought by a UK resident flying from London to San

Francisco will not.
The reason for discrepancy lies in the history and evolution of FFPs. They were born and raised in the US during the 1980s as a means of creating and maintaining loyalty to a single airline or group of airlines.

The principle is that the buyer of a ticket same points which can be accumulated and eventually exchanged for free flights or other benefits.

Over the last decade, strines have joined forces with other companies in the travel industry and points can now be earned by staying in hotels, using car rental firms, and buying things with certain credit cards. The awards can include upgrades to business or first class on aircraft, holiday weekends and even hot-air balloon trips.

The scope of FFPs has been extended to help sirlines fill For most of the 1980s, changed the rules to limit the



ched its Textjet - z motorcycle chauffeur service, which will take Upper Class pe

airlines outside the US watched the growth of FFPs with a mixture of disdain and fear. There was disdain because they seemed to be a fad unconnected with service quality and more associated with savings-stamp schemes once used to persuade motorists to buy petrol. But there was also fear because the

The programmes' scope has been extended to help airlines fill aircraft at slack times

US sirlines were both demonstrating the effectiveness of the schemes and racking up huge liabilities in flights owed to passengers. When, in the 1900s, European and Asian carriers were finally forced into the game, they

give-aways: hence the variety of schemes under which tickets can earn points.

Logic, as well as fear, prompted the rule changes. The goal for any airline is to attract the regular business passenger, not the penny-pinching leisure traveller who flies once a year.

FPFs have shown themselves

to be effective in capturing business traffic. This month's survey by Official Airline Guides of European business travellers shows that 70 per cent said that, given a choice of carriers on a route, they would choose the one to which their FFP belonged. UK residents were the most swayed, with 74 per cent saying it would determine their choice.

But the leisure traveller is at least as much swayed by simple price discounting, argue

"It is not commercially viable to offer miles on the low cost fares. It is not worth doing it if it can possibly be avoided," says Ms Sue Moore, BA's general manager, relationship marketing. Cut-throat competition pushe US carriers into using FFPs to compete even for discount

Holders of BA's blue-grey cards have the option of being met at airports

ticket sales and BA has

reluctantly joined in for the US Late arrivals in the FFP

business such as BA, Air France and Lufthansa have also improved on the US experience by imposing deadlines for the time by which accumulated points

must be cashed in. This once again favours frequent enough to earn free flights

By targeting the FFPs at regular business customers, the airlines have generated some useful spin-offs.

Members of FFPs have their flying habits tracked. The more a passenger spends with a particular airline, the more the passenger is likely to be the target of marketing drives and market research.

British Airways, for example has four levels of frequent flyer membership. New recruits are at the blue level, with a few benefits such as priority on a waiting list for overbooked aircraft. The next two levels are silver and gold, which provide higher waiting list priorities, access to executive lounges and free travel insurance, for example.



about 1,000 holders of a blue-grey card who include BA's most important customers: chairmen, chief executives and finance directors responsible for spending at least film a year with BA. They have all the benefits of

option of being met at airports and personally ushered through the airport. Customer service staff single them out for individual attention.

The FFP is now one of the most important weapons in the airlines' armoury. There are

a gold-tier member plus the members in the US alone over the next few years as European and Asian carriers join in. If FFPs are a fad, it will be a long time before they are



AIRLINE SERVICE

Passengers would rather go to sleep

kinds of airline service: the amiability of a Qantas or Vir-gin Atlantic, the formality of a British Airways or Lufthansa, the deference of a Singapore Airlines or Cathay Pacific and the surliness of just about any US domestic carrier.

The comparisons are, course, slightly unfair. The US domestic market is dominated by bruising price wars. The drive to save a few more dollars on the ticket cuts the numbers and wages of cabin crew. Add to that the damage to morale engendered by an airline on the verge of bankruptcy, and it is easy to sympathise. In theory.

In practice, the business traveller has got plenty on his or her mind, too: it is a rare employer who is prepared to spend thousands of pounds sending someone on a trip without demanding rapid and

concrete results.

More than that, the airline will have in its charge a more demanding customer than in recent years. He or she is a survivor of corporate cost-cutoverworked for whom a few hours on board an aircraft should be a haven of peace, an opportunity to recharge the

The job of the airline, then, is to deliver passengers to their destination in as good as, or better, condition than it took them on board.

everything from the meal menu to headphones and how staff deal with a complaint. But according to Mr Chris Lane, chairman of management consultancy TMI, many airlines' response to this imperative is to pile on the techno-gadgets. From seatback televisions offering eight tracks of entertainment to check in by mobile telephone before you get to the airport, the business passenger is regaled with technology.

Yet the real struggle that faces the airlines, says Mr Lane, is how to improve the "soft" aspects of service. How do they make the customer feel like an individual, create a relaxed vet reassuring atmosphere, and deal with com-

plaints and mishaps! Ms Sue Moore, BA's general manager, relationship marketing, agrees: "The core of being different in the airline business is customer service."

roclaim and difficult to realise: it is simple to install a new piece of hardware, much trickier to find a way to delight the passenger with the human touch.

One method being introduced by BA is its decision to for delayed passengers. Ground staff now have the authority to send flowers or wine to a passenger's spouse if a delay means that an anniversary celehration is missed.

As well as being a winning way with passengers, the strat-egy is cost-effective, says Ms Moore. "They are low value items compared with paying The idea came from BA's

programme of consultation with managers and customers. The airline holds seminars to which members of its Executive Club, the frequent flyer programme, are invited. The seminars have produced most of the service changes at BA in the last 18 months.

These include the sleeper service in which passengers on a short overnight flight of less the ground to maximise the they have to sleep. The idea has already been copied by other airlines.

Another result of the seminars, BA's Well-Being in The Air programme, has also been copied. It is a health regime that suggests exercises for pas-sengers while they travel and offers menus of low fat, high-fi-

An awareness of health issues has spilled over into the centrepiece of airborne service: catering. Most large carriers now offer light meals as well

It is simple to install a new piece of hardware, much trickler to find a way to delight the passenger with the human touch

as the more traditional rich meats and cheeses But sometimes the empha on health can go too far, as at United Airlines, the second big-gest US carrier. "Last year we went heavily into earthy foods like lentils and beans," says Mr Len Sacchitello, manager of worldwide catering at United. This time around, we are hearing from flight attendants and direct calls from custom-

ers that these ingredients don't belong in the first-class cabin." The speed of response at United to such complaints has improved in the last two years through computerisation of "flight attendant feedback", says Mr Sacchitello. Flight attendants can record customer requests or complaints on computer terminals when

the aircraft lands. The scheme has already led to the English tea service including scones and clotted cream - being extended from first and business class to economy on its US-bound flights from the UK.

But passenger feedback can produce different findings in different carriers. United remains resolutely formal in

first class. When menus are proposed by the airline's con-sultant chefs, for example, cabin crew representatives still test them to decide whether they can be distributed by "silver service", someone holding a fork and a spoon in one

Other airlines eschew such formalities. Virgin Atlantic says that crews are encouraged to express their personalities, to respond appropriately to different kinds of passenger. The idea is to generate a sensation of personal attention for the passenger. It is a strategy that has led to the employment of eight beauty therapists who

travel on many flights between London and New York and Los

The airlines lay great store in these niceties of service. But does does the regular business traveller take much notice? A survey published last week by Official Airlines Guides, a publisher of airline timetables, gives conflicting evidence.

Among business travellers, it says, eating is the second most popular pastime on a long-haul

But it is beaten in the popularity stakes by the desire for a good, long sleep.

Daniel Green



We can fly 124 gentlemen to Verona.

Or gentlewomen, of course. Meridiana can fly you daily from Gatwick direct to Verona. For details of this and our other luxury service to Florence, ring your travel agent or call us Meridiana Meridiana on 071 839 2222. Your Private Ariline

ĮΥ

Janina Stachura looks at trends in the car rental market

Seamless service will cut waiting

IT MIGHT not be exactly a bargain basement sale, but for the cost conscious business customer looking for a good car rental deal there is everything to play for in a fiercely competitive industry.

This is a sector in which it probably costs less to hire a car than it does to rent a dinner suit for the evening. It is dominated in the UK business arena by six big league players Avis, Europear Inter-rent, Hertz, Budget and Eurodollar.

The big boys have not shown to be wanting in an industry which has not avoided the bruising effects of recession as companies looking to cut costs have limited business travel.

For the big corporate customer hiring a luxury Mer-cedes to the one-man band business person on a tight budget, all that is required is a little shopping around.

Broadly speaking, the business car rental market is divided into domestic and international with three seg-ments - the independent business traveller, small business and corporate customers - and special deals can be negotiated within each to suit individual

Mr Neil Summerville, Budget's vice-president of franchise operations, says: "In general, we have done our selling to most of the major business users. They have a pre-arranged deal before they get to

"Independent business users can benefit from our all-inclusive programme - there is something for them as well even though they don't have the buying power of some big



a of Hertz UK: not a



rental. Additions offer anything from unlimited mileage and loss damage waiver to 24hour cover by a motoring organisation in case of break-

Avis has a customer travel magazine with information varying from a guide to the

dashboard of the particular car that you are driving to city and route maps. Hertz has an "en route" ser-

vice for some customers which includes driving directions, medical and legal help, regional tourist information and even weather and traffic

Mr Stephen Jones, Hertz UK marketing director, says that cially to depress prices. "Consequently we don't have a lot of scope in pricing terms and are seeking to be competitive in service terms, offering val-ue-added services which are different from other compa-

He says there has been a move toward what he describes as the integrated service concept with combined packages involving car rental companies, airtines and hoteliers.

Alliances have been forged with airlines to offer a wide variety of services in addition to car rental to customers. Hertz UK, for example, has teamed up with British Airways to offer customers ser-

vices ranging from the oppor-tunity to get a free flight by collecting airmiles to their very own BA check-in counter at Hertz in Heathrow Airport Avis has partnerships with nore than a dozen airlines, including British Midland and Virgin Atlantic, to offer customers "that little bit extra".

airmiles, win an African safari or try a spot of ballooning. Mr Dale Morley, Avis UK director of sales and marketing, says links with airlines' loyalty programmes provide a range of benefits for passeners and have proved success-

They can earn points towards

ful in the US. Avis has close ties with Brit-ish Midland and Virgin. "Across Europe there has been an increase in penetration of customers quoting loyalty pro-grammes when they rent with us," says Mr Morley.

"For the business traveller who has to make the journey



The Hertz gold service being used by custo disow airport. London, to pick up and (right) return a car

anyway, it is attractive to find that he or she can earn airmiles not only from the airline but also from the car rental company and an affiliated

New technology has meant you can arrive at a location, see your name on an indicator board and just pick up your

car without even having to see a piece of paper, let alone sign

This seamless service has been made possible by specialist systems which are seen by industry watchers to be the key to future success in the



31bn in a system whose heart is in the US. Known as Wizard, is to wait at a car rental it has integrated reservation, rental and billing systems in the US, Canada, Australia,

He sees new technology and the ability to turn it into ser-vice benefits and seamless ser-Mr Morley says: Nobody wants to wait for a car yety vice as the way ahead for the ong the business renter wants to get into the car and drive

Jim Kelly finds that companies are starting to

take a more professional attitude to costs

New Zealand and Europe.

Agents can lead to travel savings

BUSINESS TRAVEL, after buildings and salaries, now ranks as the third largest cost. facing most companies. In continental Europe it accounts for 4.8 per cent of costs, while in the UK it takes a solid 6 per

The need to cut those costs in a recession, combined with an increasingly global panies to seek the services of a professional business travel

The business travel and expense management industry. or T&E as it has become known, has responded through the concept of "partnership" with its clients. Annual European expenditure for the industry is now estimated at

\$141bn. The shape of the T&E market in Europe illustrates the pressures which have made most large companies decide

Nearly two-thirds of all companies have a written travel policy, and

one in five has recently

switched travel agent that they need some form of outside help in cutting travel management costs.

American Express, one of the principal players, recently published a survey of T&E in Europe based on phone interviews with 15,000 companies and 3,500 personal interviews. Companies were chosen from a range of sectors and had to have 10 employees who regularly travelled on business. The results illustrate a volatile and competitive marketplace. The survey concluded: "Europe now ranks as the foremost business travel market in the world."

In Europe companies spend an average \$1.500 per employee on travel. Nearly two-thirds of all companies have a written travel policy. One in five companies has recently switched travel agent, prompted by better prices elsewhere or poor

Though 38 per cent did have. a "travel manager", the job was largely left to office secretaries. Nearly three-quarters had an appointed travel agent. in France, Germany and the UK the level of satisfaction with T&E was seen to be drop-

expressed the traditional needs from T&E, of securing a comfortable reliable service, there was a growing interest in maximising travel rebates and reducing expenditure - especially in France and the UK.

reveals an increasingly professional attitude to the management of business travel and related expenses within European companies, together with a more intensive purgett of value for money in the whole area of T&E," says American

Within the UK nearly 70 perrecently taken initiatives to control Tak spending one in 10 had an "inplant" desk of the travel agent on the premises Three-quarters have at least one appointed travel agent. However, the report notes that: "It is still normal for individual travellers or their secre-

arrangements."
The T&E business appears to be growing again, at least in the UK. A recent survey by the University of Surrey and Thomas Cook Travel Manage ment showed that overall spend was set to increase, while downgrading continues resulting in more travellers in

taries to make the travel

the air. Many medium to large companies now believe business travel agents can deliver savings, cut bureaucracy, and help mould an efficient travel policy from within the com-

But how to choose one? If you have a large business it is best to invite bids after deciding exactly what you want them to deliver. Today in T&E the agent can offer services ranging from getting your air-craft tickets to pledging to cut your costs from inside the busi-

Where to start? The Golld of Business Travel Agents pro-vides a "good-housekeeping" seal of approval and has 37 members with a combined turnover of £3.86bn - about 60 per cent of which is in T&R and the rest in leisure. The Guild of European Business Travel Agents is expanding and members have a combined turnover of \$10.6bn.

Both guilds produce profile booklets. Membership in the UK ranges from the big multiple travel agents with specialist skills in T&E, such as Thomas Cook and Hogg Robinson, to the major inde including Ayscough Travel and Gray Dawes Travel. The guild's members account for 75 per cent of business house air traffic booked through agents. Mr David Reynolds, secre-

tary of the GBTA, says that While most companies many more smaller companies are now realising the benefits of T&E: "They don't want to get stuck in a queue behind someone who can't make up his or her mind about a holiday in Majorca." He also sees an emphasis on professional

and Guild condifications and 50 in T&E will be offered at

Brighton University. An example from the inde-pendent sector and one of the de midisplas abons how the Tak has come in edging closer

many companies. Mr David Whittaker, joint chairman and managing director-of The Travel Company, a T&E specialist, and a director of Talking Point, a subsidiary pecialising in conference and incentive events, is proud of the corporate "partnership" which has been struck with SmithKline Beecham.

For three months after the T&E deal was signed, there were daily meetings with the clients. The Travel Company has 30 dedicated staff with Smithkline Beecham, The present spend on T&E through

Companies "don't want to get stuck in a queue behind someone who can't make up his mind on a holiday in Majorca".

The Travel Company is £15m a year. The company boasts state of the art technology and offers software which can allocate rebates and basic money savings to individual management groups within the com-pany - a powerful tool for driv-ing incentive-based efficiency. "It works like a dream," says

Mr Whittaker. Thomas Cook, one of the ding multiples with specialist skills in travel manage ment, claims it was the first agency to take the partnership principle seriously. It has over 40 travel management centres in the UK and more than 80 implanted locations in compa-

Rank Xerox is one compa served by Thomas Cook Travel Management: It records a total air fares saving since employ-ing TCTM of £4m for UK-based staff. Booking errors fell by 2

Thomas Cook says that part-nership cuts both internal and external costs, improves quality, improves strategic advantage and generates growth for both parties. Services are also tailored for smaller companies. Mr Bill Kirkwood, director of sales and marketing, says. Thomas Cook Travel Management has signed £30m worth of new business from the smaller market over the last year.

"Our price guarantee, Fair Fares, was one of the key factors in gaining this level of

When you really mean business



HILTON NATIONAL **BUSINESS BENEFITS**

HILTON NATIONAL delivers the mality you expect at surprising value

BUSINESS VALUE POLICY

"Our policy is to deliver the best standard of business performance in every aspect of our service and to put right any problems immediately. If we do not do that, we believe you should not be charged

I promise to ensure all our business staff are trained and motivated to meet

Tony Potter, Managing Director.

BUSINESS SERVICE HILTON NATIONAL hotels are an extension of your office. For expert local information, mail and photocopying services our trained staff are keen

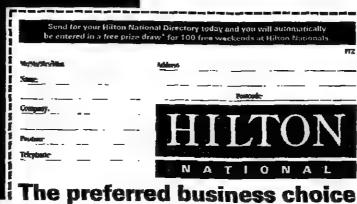
For state-of-the-art conference services ask about our exclusive Meeting 2000 package - that really meets today's

BUSINESS PRIVILEGE CLUB

Free membership is yours after just three nights' stay at any HIETON NATIONAL. And regular business customers are rewarded with free benefits and a discount off the total bill, as well as AIR MILES awards.

THE LEISURE COLLECTION Make HILTON NATIONAL even more relaxing and collect leisure points towards

a free weekend - every time you stay. For the New Free Directory send the coupon to: HILTON NATIONAL, PO Box 35, Abingdon, OX14 4SP or call



or sive

Rusia

See

Tr

Euru

EXCEPTE.

071 8

20.00

.17.00 h

Lik

BASINGSTUAL ● BATH ● BRACKNELL ● BRISTOL ● COBHAM ● COVENTRY ● CROYDUN ● EAST MIDLANDS AIRPORT ● EDINBURGH ● HUDDERSFIELD/HALIFAX

LEEDS CITY & LEEDS: GARFORTH & LIVINGSTOK & LONDON OLYMPIA & NEWBURY & NEWPORT & PORTSMOUTH & SOUTHAMPTON & STANSTED AIRPORT SWANSEA & SWINDON (Opening Summer 1994) & WARWING STRATFORD & WATFORD & WEIBLEY & RESERVATIONS CALL 071-734 6000

Small hotels can often fit the bill

SOME world-weary business travellers appear to be deserting the big, impersonal hotel chains for smaller, cosier counterparts that offer more per-

In the main, the companies with huge volumes of business are staying loyal to the big, international hotel chains because of their preferential rates (small hotels generally do not offer corporate rates), and ease of booking through onenumber reservations for worldwide coverage.

But for frequent independent travellers, those with an eye on costs or with a smaller travel budget and therefore less buy ing muscle, these small hotels fit the bill. Your custom would represent a substantial portion of business for a 50-room hotel and therefore you would be a name and not a number in such an establishment.

Rates hover in the £120 to £130 price bracket a night, compared with a larger hotel charging around £200 a night; no small saving over a couple of nights' stay. While corporate rates are not always openly disclosed, some small hotels offer "special arrangements"

enables individuals or companies to trade down in a surreptitious way, as it will be seen as "moving across" more than

anything. Such "boutique" or "townhouse" hotels, as they are sometimes known, have up until now been exclusively found in Europe but the concept is spreading much farther

Women business travellers feel more comfortable in smaller establishments

Central London boasts more than a dozen such estabishments, all claiming to offer the recognition, service levels and ambience in a 50-room-or-less property that is often lacking in hotels with over 250 guest bedrooms.

One experienced traveller's comment: "It's home from home" sums up the general reaction to these smaller hotels. They are proving particularly attractive to women business travellers, who feel

establishments, many of which are managed by women.

Of course, these smaller hotels may lack an enormous lobby, a business centre, health club and the choice of half a dozen food and beverage outlets, but personal service makes up for many of the so-called shortcomings.

London's oldest, small hotel

is probably the Capital, its 1970s facade in Basil Street, Knightsbridge, giving no clue to its more tasteful interior. It has only 48 rooms, a bar and restaurant, and a thoroughly good concierge. It is one of the more expensive small hotels; single rooms start from £184.

Much cheaper is the Egerton House (singles from £110 plus VAT) in Egerton Terrace. Knightsbridge, which offers 30 bedrooms. While there is no bar (only a breakfast room), guests can serve themselves from a drinks cabinet.

Smaller still is the Fenja with just 14 rooms (no restaurant) in Cadogan Gordens, Knightsbridge, and with rooms costing from £130. No bar, again, but each room is stocked with decanters of spirits together with mixers and soft drinks.

at the 28-roomed Beaufort (Beaufort Gardens) start at £115. There is no restaurant but a 24-hour self-service bar adjacent to the drawing room.

Lack of a restaurant at 22 Jermyn Street (comprising 13 suites and five studios) has been overcome by the nearby restaurant, Green's, offering dinner in your room from its elaborate menu. The botel does, however, serve breakfast and has a 24-hour room service menu. Rooms start from £145.

Outside London, there are also some good small hotels. The 40-bed Old Parsonage in Oxford, Etrop Grange in Manchester, 42 The Calls in Leeds and 1 Devonshire Gardens in Glasgow all come to mind.

Across the Channel, Brussels has had its own boutique hotel. the Stanhope, for two years. Some 50 rooms have been shaped from a terrace of three period houses on the western side of the EC capital and decorated like an English country house, with much trompe-l'oeil and swathes of fabric in evidence. The hotel has two boardrooms and fax machines are available on request. Rates are from BFr9,500 for a single.

gomery. Breakfast is the only regular meal served but room service is available around the clock, in guest bedrooms or in the library. Each bedroom comes equipped with a fax

machine. Rates from BFr9,000. A townhouse-style property stark contrast to the modern glass and steel skyscraper

The townhouse hotel sector in the UK may have grown 300 per cent in the past three years

hotels for which the island state is known. The Duxton is a 50-room hotel built from eight trading houses and located near the Tanjong Pagar metro. There is no business centre, pool or garden, but a French restaurant, bar, pavement cafe, secretarial services and airport car transfer make up for them. Standard rooms start at S\$230 and are bookable through TRI Hotel Marketing.

Mr Colin Rainbow, commercial director of pan-European travel agency chain Wagons-

"inevitably give you a more personal service. It's a big difference from being number 42 York with 18 check-in desks."

Nonetheless, industry observers believe the townhouse hotel sector in the UK has grown 300 per cent over the past three years, albeit from a very small base. "The hotel market is being redivided and the big hotels are finding it difficult," claims Mr Nigel Massey, managing director of the Massey Partnership, a marketing and public relations agency which specialises in

small, privately-owned hotels. "The Franklin ran at 84 per cent occupancy in its first year, the Old Parsonage at 75 per cent," says Mr Massev. "They represent a return to traditional hotelkeeping, where bookers can talk to the owner of the hotel."

The big chains do have their own, smaller "hotel within hotel" in the shape of their executive floors, with separate entrance, check-in, lounge, complimentary breakfast and canapés. These go some way to redress the balance between

TRAVELLER'S TALE: David Munns talks to Michael Skapinker

Maxims that should be obeyed

MR David Munns has visited kpan three times this year and Australia twice. He has been to Philadelphia, Los Angeles, Nashville, Miami and New York. He has just spent seven days in Spain, Holland

一位... 機匠

राज्या हा एक

113 113

70年では

Mr Munns, in charge of the marketing of pop music at PolyGram International, the London-based recording company, estimates he spends between 30 and 40 per cent of

his time travelling. He has only had one frightening flight, when the sero-plane could not land in Nashville because of a storm. He has never been mugged. He has lost his huggage only once. He puts not being mugged down to common sense. He

learns his way round the cities he visits and he never walks down dark alleys.

Losing his luggage was the result of disobeying two of his travel maxims. The first is to reduce the stress of travelling by always using the same airline - British Airways in his case. When he lost his ingrage, he was flying to Ball with Garuda, the indonesian state air-

His second rule, broken on that occasion, is to travel with hand luggage only. Mr Munns reckons he can live out of a carry-on bag for 10 days.

Another meens of reducing stress is niways to use the same car firm to take him to Heathrow's Terminal Four. The drivers know him and his

routine. The firm is near his home and the cars do not get lost in the traffic.

Somewhat inconsistently, he does not like having a driver meet him when he arrives at his destination. Looking out

It is irritating to have to look out for a sign with a name on it when arriving at one's

destination

for a sign with his name on it is irritating, he says. He prefers to hop in a taxi, except in Tokyo, where the airport is too far from the city centre. There,

he uses a driver. He tries not to work on aero-

of work one does with pen, paper or laptop computer. "I will take something along if I've got to do it, but I don't store up things to take along,"

he says. Instead, he does work of the more relaxing sort. As a senior executive of a recording company which has ambitions in the film business, he watches the in-flight movie and listens to music on his Walkman.

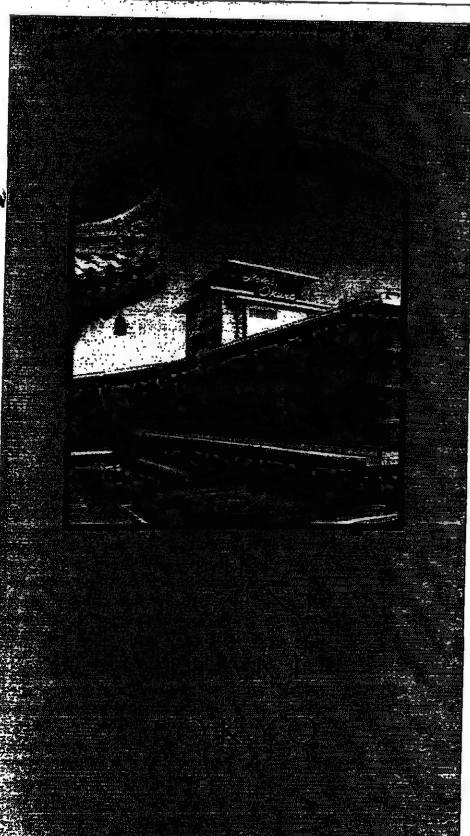
He eats a full meal before he gets on a flight. He does not like to wait, stomach rumbling, for the airline meal to arrive. He flies first class on long flights and if he is travelling overnight. Otherwise, he goes business class. He flies from London to New York business

flight. He flies back to London first class because it is a night flight and he can get some

Jet lag worries him less than it used to, but he has not entirely conquered it. Nevertheless, he likes to start working the moment he arrives, rather than giving himself time to recover.

He tries to visit cities when one of PolyGram's artists is performing there. He stays in the same hotel as the performer. He is thinking about making greater use of video conferencing, but in the music business there is no real substitute for watching artists perform live and talking to them





The Hotel Okura is the first choice of executive travellers from all over the world. Why? We invite you to come see and understand.

Contact your travel agent or our hotel representatives:

- THE LEADING HOTELS OF THE
- WORLD PREFERRED HOTELS & RESORTS
- WORLDWIDE UTELL INTERNATIONAL

HOTELOKURA, TOKYO, JAPAN 2-10-4 Toranomon, Minato-ku, Tokyo 105, Japan Fax: 03-3582-3707

HOTEL OKURA OFFICES WORLDWIDE New York Tel: 212-755-0733 Los Angeles Tel: 213-488-1477 Amsterdam Tel: 020-6761160

Cut along dolled lines



The AT&T Calling Card: **Exclusive Offer to FT Readers**

Become an AT&T Calling Cardholder and receive a complimentary 1994 FT pocket Diary.

The AT&T Calling Card helps avoid the frustrations of grappling with 'allen' telephone systems, providing the frequent traveller with a convenient and economical way of calling from the USA and worldwide. You can use the card from any kind of telephone. Just dial the AT&T access number for the country you're in, plus your card number, and you're straight through to AT&T's English-speaking international network - no need for loose change, no waiting, no wrong con-

Managing your expenses is also easier, as details of calls (dates, locations and times) are billed to your Visa, MasterCard or American Express

The AT&T Calling Card is free to acquire; just return

he application form below by November 20 1993 and, f approved, you'll receive your card, plus a complimentary 1994 FT Pocket Diary.	
o discover more about the AT&T	
Calling Card and its range of	70.99
ervices, please call free on	400
500 897 801 Ext. 294.	
his offer is only available to UK residents not currently holding AT&T Calling Card and is pending tariff effectiveness.	
Please print clearly and then forward the completed form to:	
Card Services (Financial Times Offer) AT&T (UK) Ltd, Norfolk House, 31 St James's Square, London	on SWIY 4JR
Name Lati Genario el Iostifi nami) figi	
Mailing address (including postcode)	Cutalong
	1
	L L L L L L L L L L L L L L L L L L L
Telephone number where you can be reached (Country Code & City Code & Local No.) Extension	li≡
	If we ATA f Use Circle 1 3
Please charge my AT&T calls to my current (Check one) Visa Card MasterCard American Express Card My card account number is:	
	But
Statement of Authorisation Newsrounder on application for an AT&T Callery Coul. It this application is gramped, I applicate AT&T to buil on for charges received with the AT&T Callery Land learned one of the AT&T of the AT	
I intercipied and agree that any charges made welt as ATAT Cultury Card and billed to my American Expense Card, ManterCard et Vilick Card, as in Preve I baset indicated above American Expense. AdjusterCard on Vilick record in the Card ManterCard or Vilick, takeger wall be subject to the name ManterCard or Vilick record in the Card Manter Card or Vilick accuss the name ManterCard or Vilick accuss the Card Statement on accordance and the serve and considerance of my ManterCard or Vilick accuss the subject to the Card Statement on Statement of ManterCard Manter Card Statement on Statement of ManterCard Manter Card Statement on Statement (and Statement on Statement Card Statement on Statement Card Statement on Statement Card Statement	and analyses had the interior and a unaliting of all most of the control of the c
Signature Print Full name	
Date	_

L200bn is been alleged

mulated

tam in ncluded erge liva of Mr tments. giolini's ssisting :eutical also led

ad been suspect estions: ad been opment

for Ma y chairment in a politi-1990 at erruzziıts joint

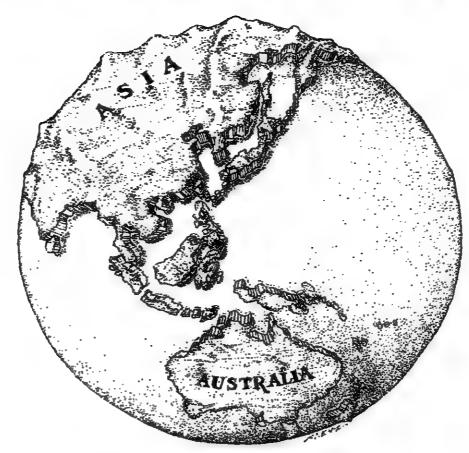
third inimont d kick-

egation Rome part of used to ficials la Manter, are magis-

ments.

XIV

Front cover.



Back cover.



That about covers it.

One airline is rewriting the book on international business travel. Covering thirty-three nations across five continents and two oceans every day. And giving you friendly skies wherever you go, to hundreds of cities worldwide. Cover to cover. Come fly the airline that's uniting the world. Come fly the friendly skies.

For reservations call United on 081 990 9900 in London, or 0800 888 555 from all other areas.





Y A curious quirk of fate, Australia secured the 2000 Olympic Games exactly 10 years after Alan Bond, the Perth-based businessman, won the America's Cup. Was this, local commentators wondered, a favourable omen?

For many Australians, the America's Cup triumph is still a giorious memory. Not only did a nation prone to viewing Not only mu a nation prone to viewing itself as an appendage on the edge of the world fake on the best and win, but the yachting victory against the Yanks seemed to usher in an era when Australian businessmen strode the world stage

lian businessmen strode the world stage and prosperity rained down.

True, this golden age ended - less tham a decade later - in overstretched balance sheets and a rash of bankruptcies. But already there is speculation that Australia's latest sporting prize could mark a similar uprush of confidence and herald a consider remaissance. second economic renaissance

In reality, this seems too optimistic. Many changes are being wrought in Australia tralia at present, both on the cultural and economic fronts, but they are of a far more fundamental nature than a lot of easy bank lending. As a result, they are also more complex and contentious. A very dif-ferent nation may emerge at the end of the day - probably more competitive, and cer-tainly more diverse. But there is no sign that the transformation process is about to

Australia's trade relations are a case in point. Australia started to throw its lot in with the Asia-Pacific region almost two decades ago, but the strategy has accelerated in recent years, first under Bob Hawke's Labor government, and then under his successor, Paul Keating Today, the pro-Asia policy cuts across party political lines and, given the growth potential of that region, is generally judged astute. But the pace and manner in which the "new order" is blended with the older, Euro-can-

tric ties still prompts debate.

Australia's decision to "opt into Asia"
was always a hard-headed one, driven more by economic necessity than philosophical ruminations.

When established trading partners -Britain, in particular - started to concentrate on their internal European market, and the US began moving towards a North American "free trade" block, Australia was forced to think long and hard about its own position.

As Mr Keating has pointed out, his country was fortunate to find the Asian doors still open. "Twenty years ago, Australia had a White Australia policy (discriminating against Asian immigrants)," he has noted. "In the event, we were very lucky not to be marginalised in the Asia-Pacific region."

Today, politicians and trade mission leaders like to recall that 60 per cent of Australia's trade is conducted in



New hopes on the horizon

Asia-Pacific, compared with about one-quarter 30 years ago, and that eight of the country's top dozen export markets lie in this area. This is true, although it is should be added that Japan still dominates the picture. In the year to end June, the Japanese took a heavy 25 per cent of Australia's total exports almost double. Australia's total exports, almost double that of the Asean nations (Singapore, Malaysia, Philippines, Thalland, Brunei

Australia's salesmen have to work harder to dispel the notion that their country acts as the region's "farm and quarry, supplying raw agricultural and commodity products which neighbours with cheaper labour then convert into manufactured items.

In reality, about 61 per cent of the A\$60bn annual exports take the form of manufactured goods. Of this, perhaps one-third are "higher-valued added" items. That is a marked improvement on the 11.5 per cent share taken by more sophisticated manufactures back in 1986-87, although no one seems keen to predict how much further the trend may go. People are loath to nail a number to

The capture of the 2000 Olympics Games is helping to keep Australians smiling during a bout of painful restructuring, says Nikki Tait

inflows, and a very different picture emerges. Here, Australia's "old partners" - the US and the UK - still dominate, supplying over 60 per cent of new foreign capital ploughed into Australia in the 12 months to end-June. Japan, until it fell on hard times, was also prominent. Asean countries, by contrast, accounted for less than two per cent of total foreign investment in Australia at mid-1993.

So, when it comes to pleading for investment dollars, state government agencies suddenly remember their former heritage - and sing the virtues of Australia's clement environment, Western-style facilities, trained labour

force, and so on. The worry, then, for some Australians is that emphasis on Asian links could risk

the mast," says Steve Prytz, at the Australian Manufacturing Council.

But glance at the nation's investment demoting older ties, which still have a good deal to offer.

"East Asia is extremely important, but

so also are Europe and North America," remarked Professor Robert O'Neill, the Australian-born director of London's International Institute for Strategic Studies, in a recent public lecture.

E said: "The economic prospects offered by East Asia are indeed impressive, but it remains a politically weak area. Even in terms of economic relations, Australia may find that it is increasingly on a playing field which slopes uphill."

If foreign relations are a delicate balancing act, moves to loosen the historically-protected Australian economy have produced more acute tensions. Steady privatisation of government-owned enterprises and the use of competition to

recent government policy. In a country where one person in four still works for the public sector, this, too, is broadly

But dogma has sometimes ridden roughshod over common sense and the limitations of a small population base. Attempts to deregulate Australia's domestic airline industry, for example, prompted only one new carrier to take to the skies. It subsequently collapsed, twice, within three years. In the media sector, an auction system

which was supposed to distribute licences to operate satellite pay-TV led to high but speculative bids from a couple of start-up companies. They were duly declared winners - only for the authorities to discover that cash, at the promised levels, was not forthcoming.

More seriously, the quest for efficiency has created social hurdles. On the one hand, recession and the need to restore balance sheets has prompted many companies to streamline activities by asset disposals, plant closures and the like. There is nothing uniquely Australian

about this; a similar response has occurred in most Western economies in the face of sluggish demand. And, as in the US, there is every sign that corporate profitability is beginning to benefit from the catharsis.

But Australia is also committed to a big reduction in its tariff barriers by the year 2000, which is essential if the country is to join the Asian party. This, in turn, has prompted some multinationals to rethink the economics of manufacturing locally. Last July, for example, Isuzu Motors announced that it would stop making trucks in Australia in about three years By that stage, the tariff on trucks should have dropped to five per cent, compared

with 12 per cent at present.

For the working population, the combined effect of these two trends has been devastating. The unemployment rate remains stuck in double-digit figures and, as the structural upheavals continue, few economists are willing to predict any significant reduction in the foreseeable future. That, in turn, has done nothing to ease relations between the government and the labour movement. These have already been strained as Australia tries to develop a devolved, enterprise-based wage-bargaining system - essential to freeing up a labour market which has been among the most heavily-regulated in the OECD.

Culturally, some of the challenges are just as tough. 1993 was named the year of the indigenous people and Aboriginal music is selling in high street record

But the fight over land rights remains heated, and the High Court's 1992 "Mabo" ruling - which overthrew the notion that Australia was uninhabited before European settlement and declared that native title could exist where Aborigines had retained a close association with the land - has yet to be translated into a viable system for deciding native title

On this score, a political compromise, which wins a modicum of backing from many of the interested parties, is finally on the table, although the all-important details have yet to be fleshed out. Even then, it is unlikely that the Aboriginal community will see this as a final settlement of past wrongs: "a native title bill is just a first step," comments one moderate representative. "We're going to have to do this piecemeal." Mr Keating has indicated that the

discordant strains could be better harmonised under a "Republican" flag. To some observers, this is cheap politicking an attempt to divert people from real underlying issues, with a largely symbolic rallying cry. But that, perhaps, misses the point. When a country goes through a fundamental and painful adjustment, a little attention to the symbols may be no bad thing.

Rome part of used to

covered

official

is been

alleged

acladed

ngs and arge liv-

of Mr

tments.

arrest

ssisting

llectine

eutical

also led

ad been

suspect

owever.

estions

opment

y were

y chair-

itrolled

wanted

ment in

a politi-

1990 at

erruzzi-

its joint

· third

Inimont

d kick-

ficials' Interior magisis that used to : politi-

INTERNATIONAL tourism has emerged from near obscurity to become one of Australia's fastest growing industries in the past decade, but it heads towards 1994 in a state of dichotomy. Although the industry is one of the few defying world recession with solid growth

rates, tourism remains hazardous ground for investors, writes BRUCE This reflects a "two-speed" growth record in the past decade which has left substantial imbalances in infrastructure, sauved confidence and increased the perceived risk of tourism investment. But

there are signs, boosted by Sydney's

successful bid to host the 2000

Olympics, that tourism is set for a period of accelerated new growth. International tourism burst on to an unsuspecting Australia amid the financial boom of the mid 1980s, with overseas visits jumping nearly 200 per cent to 2.25m in the half decade to 1968. Figures just released confirm that growth in the half decade since has been a more modest 28 per cent for visits of just under 2.8m in 1992-98.

This growth volatility has left some bad investment decisions in its wake. Real estate estimates suggest that almost 10 per cent of the nation's three, four and five star accommodation properties are now either in receivership or under the administration of their banks. That is almost 70 properties, covering about 10,000 rooms - enough to give pause to any investor.

■ TOURISM

A place in the Pacific sun

Several other factors have added to the industry's roller coaster feel,

gulation of the aviation industry and subsequent beavy losses and rationalisation among the country's

• the unique double failure of Compass Airlines - the new market entrant that was touted as giving meaning to deregulation; and postponement of the public float of Qantas, the country's international carrier, from which the Fed-

eral Government hopes to raise more than A\$1.5bn. But just as investors were caught by overestimating the industry's growth, there are signs that those who continue to retreat will miss the next cycle. Christopher Brown, executive director of tourism's umbrella body, }Tourism

sons have been learned. "You have to remember we've only been in the international tourism business in a big way for just

Task Force, believes some hard les-

over a decade," Mr Brown says
"What we had in the 1980s was a narketing-led rather than productled boom. Some of our early marketing campaigns (notably the Paul Hogan 'shrimp on the barbie' advertisements) were among the best in the world. But events since have shown that the industry wasn't really able to handle the boom in overseas tourists that followed."

Mr Brown believes the industry tried to become too sophisticated too early. "We thought we had achieved worldwide awareness, we now know we didn't. But the result is that, although some of it is der-utilised, we now have some of the world's best tourism infra-

Mr Brown says that with the Olympics and increased govern-ment recognition and funding for tourism, the industry is now targeting an annual rate of around 7.5m rseas arrivals by 2000. The target would have been around 6m without the Olympics, but both aims are considerably higher than



Support in the Northern Territory; a lot more to offer than barbacued prewns (Picture: ROSS BRAY)

estimates of 4.8m arrivals by the government funded Bureau of Tourism Research (BTR).

While any of these estimates suggests strong growth, the industry still has a task ahead in educating investors. Mr Brown says banks and institutions are still far less adept at assessing investments in tourism than other sectors. That

While tourism is often proudly promoted as Australia's biggest export earner, that description tance. If the international and domestic tourism components are taken together, the industry is argu-

ably Australia's biggest.

Judging by BTR figures, no investment institution of any standing can afford not to have exposure to the industry. The BTR publicaculated that tourism accounted for 465,000 jobs, 5.6 per cent of the country's gross domestic product and 10 per cent of its foreign

exchange earnings in 1992. The BTR figures showed that domestic tourism expenditure, at A\$18.4bm, was almost 2.4 times the size of its international counterpart at A\$7.7bn, for respective GDP contributions of 3.8 and 1.8 per cent.

Latest estimates suggest that in 1993 domestic tourism expenditure will exceed A\$22bn, with international expenditure rising to Perhaps the clincher for the tour-

ism industry in its push for a larger share of investment funds lies in Australia's geographic location. Leading stockbrokers ANZ McCaughan (AM) put the case well in a recent publication, urging investment in Australian air lines.

"Australia is positioned on the edge of the fastest-growing tourism region in the world - the Asia/Pa-cific," AM analysts said. "By the Year 2000, the Asia/Pacific region with a 39 per cent share, is expected to dominate the world's international air traffic.

The other two major regions will be Europe (26 per cent) and North America (23 per cent). For the remainder of the 1990s air travel in the Asta/Pacific region is expected to grow by an average 9.4 per cent a year, almost twice as fast as the US (4.9 per cent) and far faster than

AM quoted a BTR break down forecasting that the proportion of Asia/Pacific tourists visiting Australia will rise from 43 to almost 50 per cent by 2000. "Japan, Asia, the US and Europe will be the key inbound markets by the year 2000," AM said. "The proximity of these countries to Australia, together with relaxation of institutional constraints on travel ... augurs well for

BUSINESS CLASS



HE Australian Labor party, in power for a decade, had expected defeat at the March national election. But prime minister Paul Keating's surprise victory gave Labor the chance to start a new era for both the party and country.

Right months after that startling comeback there are early signs that Labour's new era will be a uninspiring period, in which government appears bereft of fresh ideas and looks decidedly weary. It may also be a period in which Mr Keating's forceful political persona and blustery performance in parliament are tempered by forced compromises with opposition parties, especially those which hold the balance of power in the senate.

Mr John Dawkins, the federal treasurer, has already been forced into humiliating horse-trading with minor Green and Democrat parties who hold the balance of power in the Senate, and who were threatening to block legislation needed to implement the federal government's budget, announced in August. He was forced to back down on some of the budget measures after the Labor Party caucus threatened to revolt and vote against the measures in parliament

Mr Dawkins, a driving force in the government's active reform programme during the 1980s, vividly captured the party mood when he slumped at a press conference announcing the third step of amendments to his budget, and speculated openly about the attraction of political

Eventually, Mr Keating intervened. negotiating a deal with the minor parties - which offered them further concessions in exchange for passing the revenue-raising bills. In the course of this messy process, the Labor party was left trailing in popularity stakes, and Mr Keating suffered

an all-time low in leadership ratings. One of the key problems for the Keating government is how to fix a stubborn economy. A mild recovery has been underway during the last 12 months, but the shaky foundation of world demand precludes a stronger trend.

Occasional sparks of economic good news have provided the much required psychological boost. The annual rate of inflation was 2.2 per cent in the three months to September, maintaining Australia's low inflation regime. The September current account deficit of A\$1.1bn, seasonally adjusted, was below market expectations, giving hopes that the Australian A\$18bn forecast in the budget might come in lower.

And there are a few bright spots such as the rapid growth in manufactured exports. which have bolstered an impressive 19 per cent growth rate over the past five years. But commodity prices remain depressed and the rural sector remains stuck in the doldrums; domestic demand is still weak;

and business investment is at low ebb. The government has attempted a mild fiscal stimulus by reversing its hard won budget surpluses of the 1980s and running up budget deficits in the last two years. The government's fiscal hand is constrained, however, by continuing balancs of payments deficits and external debts of which would have saved the government



A mixture of amotions and political issues for minister Paul Keating; below, opposition Liberal party leader Or John Hewson; and right: the leaders of a 35,000-strong demonst Sydney against union-backed strikes





POLITICS: Paul Keating plays the republican card

By the dawn's early light

more than A\$160bn (\$106bn), or over 40 per only A\$48m, but received a massive outcry

The 1993-94 budget debacle illustrated how tightly Mr Dawkins' hands were tied by both fiscal and political constraints. While it was Mr Dawkins who framed the document, he had to work within some untouchable parameters set by Mr Keating, including the non-inclusion of tax measures that might be construed as de facto goods and services tax, and the delivery of election promises, especially income tax cuts. The personal tax cuts will cost the government around A\$8.6bn between 1994 and 1996.

The budget was widely seen by the markets as fiscally responsible. It allowed for a deficit of A\$16bn but included a programme to reduce the deficit to one per cent of GDP by 1995-6.

But because it paid the price of election promises, it turned out to be politically inent. It included several measures that raised small amounts of revenue but at a high political cost - for example, a plan to

LOCATION IN ASIA PACIFIC

New South Wales has Australia's largest base for telecommunications and business activity.

Representative of the global reach of the international commerce, science and technology culture that has English

as its common language of business communications.

This makes Sydney an effective broker in trade and investment relations

and a cost-effective gateway into Asia Pacific markets.

A U S T R A L I A Chief Executive, Office of Economic Development, NSW Premier's Department

Land 18, State Office Block, Phillip Street, SYPMEY 1000. Telephone: (613) 228-1627. Excitable: (612) 228-1626.

USA Representative, State Bank of NSW

17th Plane, 646 Fath Account, New York City, NEW YORK 10022, Telephone: (1212) 891-1100 Facesmale: (1212) 891-1126

UK Official Representative, NSW Government Office

7th Floor, 73 Aure, William Street, LONE CW BOAN 7HA. Telephone (4471) 283-2166 Facsimile: (4471) 522-0107

JAPAN Official Representative, NSW Government Office

Sure 525-526, 2-3 Manusualu, 3 Chome Chrosla Ko, To 879 (4). Telephone: (831) 3214-3066 Factorile: (831) 3201-292

HONG KONG Official Representative, State Bank of NSW

Soite 1904, Three Eachange Square, 8 Contractor Book, CENTRAL HONG KONG. Telephone (952) 521 1470. Facsimile (852) 845 1796.

Spring coard into Asia Pacific

for its potential effect on low income earners who might not be able to afford adequate care.

Other unpopular measures included a three cent excise on leaded petrol which hit low income earners hardest, and a

The events leading to Mr Dawkins' budget backdown also revealed a Labor Party in serious disarray, with several members distillusioned by Mr Keating's one-up-man-ship. When it looked like the minority Democrat and Green parties were going to succeed in ramming through some budget changes, the party's parliamentary caucus angrily demanded a meeting with Mr Keating and Mr Dawkins. This overflowed with anger over the Treasurer's and the prime imister's failure to consult on the budget in other major policy issues.

After threatening a revolt in parliament against the budget the caucus extracted an undertaking that Mr Keating in future would canvas opinion more widely on major policies.

It was the first time that caucus and

cabinet had asserted themselves since Mr Keating wrested power from the previous Labor leader, Mr Bob Hawke, in December 1991. Mr Keating had mesmerised the party with his uncanny ability to pull a rabbit from the hat whenever the govern-

ment's political fortunes ran perilously low. This magic became even more powerful after his stunning election victory in March, Caucus had accepted his unprecedented authority while Cabinet largely stood by while he tackled policies only with his closest personal advisers.

But morale sank significantly when the government's dramatic slide in the popularity polls began. Shortly after the budget was handed down, support for the goverment fell to 42.5 per cent on a two-party preferred basis, compared with the opposi-tion support of 57.5 per cent. The Morgan poll also showed Mr Keating reaching an all-time leadership rating low of 24 per cent, down two per cent.

In recent weeks, some ground has been regained. This has been partly due to the resolution of the budget fiasco. But recovery in Kesting's rating was also helped by interested parties for failing to produce satisfactory measures to protect their land leases from possible Aboriginal claims.

After months of agonising and emotional debates, Mr Keating delivered, literally overnight, a compromise package that, for the first time, seemed to impress the Aborigines, mining companies and pastoralists, and state governments.

The new proposals include a mechanism that would decide claims to native title. another mechanism that would decide whether mining should proceed on native title land, and an option for Aboriginal groups to convert their pastoral leases to another form of native title.

The land rights issue blew out last year after a High Court decision recognising Aboriginal land title and overturning the doctrine of Terra Nullins, which essentially held that the land was empty before British settlement in 1778.

But even the land rights problem was marked by some chansy handling at first. Mr Keating had to back down from an earlier refusal to help Comalco, the aluminium producing subsidiary of the CRA Group, from Aboriginal claim to its baux-ite leases in the state of Queensiand. The claim had jeopardised Comalco's proposed A\$1.75bn aluminium smelter project Mr Keating had initially rejected the

Queensland government's call for a com-plementary federal-state government legislation to validate Comalco's leases. A complementary federal legislation was required because the state legislation alone might breach federal racial discrimination laws.

Mr Keating appeared to have refused to help only because the Queensland government had placed the onus of respon on the federal government. But after the threat of a another caucus revolt, Mr Keating turned around and struck a deal with the state government to validate the com-

While the land rights issue has been handled advoitly in its latter stages, the government has been far less convincing in its industrial relations policy, one of the few areas where it could act to boost employment in the medium term. The Labor party had earlier introduced en prise bargaining and begun to shift \from centralised wage fixing. Both are essential to breaking down the labour markets' rigidities and removing restrictive work practices that have dogged productivity gains in Australian industry. The industrial relations minister, Mr

Laurie Brereton, however, faced intense. pressure from the powerful Australian Council of Trade Unions (ACTU), when he proposed to open up enterprise bargaining to non unionists. The ACTU's support for the Labor Party's economic programme was central to its successful reforms during the 1980s and its political support was one of the keys to the party's victory in the March election. The government has since bowed to the ACTU's opposition, and scrapped plans to open enterprise agreements to non-unionists. A bill introduced last week provides that unions will be able

breakthrough in the vexed issue of to scrutinise but not veto non-union "flexi-Aboriginal land rights. Until last month, bility agreements. This has, however, the government suffered the ire of several angered employer groups who have called interested angered employer groups who have called angured employer groups who have called the government backdown "pathetic". There have been some lesser debacles,

too. The government has mishandled the introduction of subscription television and introduction of subscription television and sume seemingly pointless reforms of its scientific and industrial research policies. All have compounded the image of a government adult and thikering at the edges. For some Australians, the debate over whether the country should become a republic epitomises the paucity of real pol-icies. Mr Keating has held aloft the idea of breaking ties with the British crown and forging a future for Australia enmeshed in the booming economies of Asia - essen-

tially a "vision" of a new Australia.

This has certainly captured a great deal of attention. Mr Keating hopes to declare a republic at the cemenary of Australian federation in 2001. There is a strong promonarchy opposition to his plan but he has found unexpected support from some conservatives in the Liberal Party. Even the opposition leader, John Hewson, refuses to oppose the republic outright.

But with unemployment still high at

10.9 per cent, many see the republic as a diversion and the general electorate is desperately seeking economic leadership. The peracty seaming evolution is government's failure to provide it has, at least temporarity, enabled Dr Hewson to bounce back from the brink of political ruin. But the danger now for Mr Hewson is that his coalition of conservative parties may be sidelined as the main opposition group, with Mr Keating preferring to court the minor parties in the crucial senate

The prime minister himself has been conspicuously absent during many of the

'A transformed nation marching side by side with Asia, Oceania and the Pacific' - Keating's final appeal to the Olympic Committee

domestic debates. He has had several overseas trips, where he has successfully shifted the focus to Australia's leading role in liberalised trading in the Asia Pacific region.

While overseas, he has taken every opportunity to focus attention on the republican issue. In his final speech to the International Olympic Committee at Monte Carlo, Mr Keating linked the Sydney bid to Australia's push for a new identity. "Australia's transformation as a nation is marching side by side with a transformation of the region of Asia, Oceania and the Pacific Basin," he told the Olympic Committee.

But in the political climate at home, Mr Keating's push seems rather hollow. While he may well be on track to get popular support for a republic, it will only happen if the Labor government remains in power long enough during the 1990s to set the nation on an irreversible path to a repub lic. His government's current performance may make that unlikely.

Emllia Tagaza

Archaic labour laws are gradually being amended, writes Nikki Tait

Forward from the iron age

OF all the challenges facing the new Labor government, developing industrial relations reform legislation has been one of the toughest. Last month, trial relations minister, finally revealed the package of measures to parliament - no small political achievement. The question is whether, in its efforts to win union support, the government has missed an opportunity to accelerate the pace of change in wage fixing. Historically, Australia's industrial relations system has relied on a network of quasi-ju-dicial federal and state indus-trial commissions which have set wages for the majority of workers in centralised fashion paying little attention to productivity levels, regional conditions, or individual employers' ability to pay. In the event of disputes, the commissions have had the power to order compulsory arbitration, and to

and employers who fail to com-In recent years, this system has also operated within the framework of an incomes "accord", agreed between the federal government and the Australian Council of Trade Unions, an umbrella body for the nation's various labour organisations. The first deal was struck in the early 1980s, and there have been six subse quent compacts. For the most part, the objective has been to deliver a degree of wage fiscal measures or welfare

fine or imprison both workers

The seventh, and current, accord was unveiled earlier this year, shortly before the election. It differed slightly from its predecessors, being more of a "social document" than a simple prices and incomes formula. But, in essence, it concentrated on two subjects: jobs and enterprise bargaining.
On the former, a target for employment growth of 500,000

over a three-year period was laid down; on the latter, a commitment was given to devolved wage fixing, based on workplace bargaining. Finally, the agreement promised an arbi-trated "safety net" pay increase of \$8 a week (with other flat-rate increases foreshadowed for 1994 and 1995); in the event, bargaining failed to produce a deal.

None of these elements has proved easy to implement. per cent of workers belonged to

Unemployment remains stubbornly high, with the Septem-ber jobless rate standing at 10.9 per cent. Moreover, some forecasts have suggested that, even if the 500,000 lobs target is met. population growth and an increased worker participation rate would still leave the 1996

The ACTU has been critical of the new government's first budget, claiming that Mr Keat-ing and his cohorts seem more interested in containing the nation's deficit than in job creation. At the ACTU congress in September, there were calls for

Industrial relations are founded on a maze of wage rulings by federal and state commissions

a shorter working week to dis-tribute "leisure time", and for various fiscal initiatives to help reduce unemployment.
The government, for its part, set up a task force to look into

the issue, and faces increasing pressure to tackle the issue from its own back-benchers. Any substantive action, however, is unlikely before 1994. The second main plank of the seventh accord, "enterprise bargaining", has been just as thorny, with much of the debate centring on who - on the labour side - should be permitted to strike these devolved workplace deals. ACTU members naturally pre-ferred that existing unions be

the vahicle. Mr. Brereton, the

industrial relations minister, is committed publicly to opening enterprise hargaining to non-Throughout the debate, the union movement faced two pressures. First, it knew that a Labor government might not be in power forever. There was, therefore, a desire to shore up defences against a potential successor — by getting the right to strike ensirined in law, for example.

The ACTU also knew that its power depends on a controlling position in the labour market place, and was never likely to embrace any measures which threatened this. Union membership generally has been on the wane in Australia, although there have been some signs that the position has sta-bilised recently. At the end of a union, compared with over 50 per cent in the mid-1970s. At the end of the day, the legislation presented fudges

onthe enterprise bargaining will be able to strike enterprise deals through the use of flexibility clauses incorporated into centralised wage awards, but unious will be able to scrutinise such deals (although they will not have any power of veto). This, say some employers, is no reform at all: the scrutiny, and ability of unions to question deals in the arbitration forum, will deter many companies from going down this path.

Greater protections for workers, however, are set out very clearly. Key measures include new national minimum standards on employment; a legal right to strike; and, if unions break laws against secondary boycotts, a "conciliation" period of up to 72 hours before an employer can take legal

With this debate over enterprise bargaining commanding such widespread attention, many industrial relations practices which have become de riqueur in other western-style conomics barely get a look-in. Employee share ownership is relatively limited, for example, although some notable exceptions, such as the scheme at financial services group, Lend Lease, do exist. The title of a recent publication from the ACTU summed up the labour movement's ambivaient approach: it was Handle with

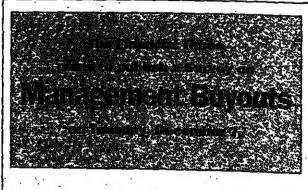
gaining" - a practice of exchanging pay or workrule entitlements for, say, equity in business, which became increasingly common in the US / during the recession - remains

That said, the extent to which the labour market has already undergone changes should not be underplayed The Australian labour movement has streamlined inter-nally, cutting the number of unions. The number of working days lost through industrial disputes has also fallen, although the picture is scarcely pretty: the total stood a 1.015m in the year to end-June, compared with 1.57m two

years previously.
Finally, enterprise bargaining is finding its way into a fair number of workplaces regardless of the furore over legislation, and about 11 per cent of the workforce is reckoned to be covered by such deals at present.

For many industrialists, the changes cannot come fast enough. For the labour movement, in a country which has a long history of protecting the "working man", it is a question of ensuring that precious rights are not eroded.

は はたる はには (新年による



RICHARD HUGGINS Tel: 071-873 3688 Fax: 071-873 3078



n

mulated

official

L200br

is been

alleged

tam in

ncluded

bgs and

e of Mr

tments.

giolini's

ssisting

llecting

ceutica

also led

ad been

Suspect

owever.

estions.

ad been

Opment

for Mr

v chair

ment in

e politi-

1990 at

third

'nimont

d kick-

egation:

Rome

part of

used to

fficials'

interior

la Man-

ter, are

magis.

¿ politi-

ments.

'erruzzi-

itrolled

17.53 million (1992 estimate) Queen Bizabeth II, represented by .. governor-general Bill Hayden .. Australian Dollar (AS)

Geography has the last word

AS THE Uruguay round of talks on world trade liberalisation sinks deeper into uncertainty, Australia's regional trading initiative, the Asia Pacific Economic Co-operation forum (Apec), is gaining increasing support from both within and outside the region.

For the Labor government which sired the idea, Apec is starting to pay dividends on two fronts. First, it is rewarding the gamble to grab the leadership initiative in a region where most other countries regard Australia as a suspicious white foreigner. secondly. Apec is beginning to look like it might provide an avenue for greatly liberalised trading between the region and its major western trading partners, particularly North Amer-

Apec was born partly of Aus tralia's frustrations over the

agricultural subsidy war between the US and the European Community. Often caught in the crossfire, Australia has sought to use whatever influence it had to get other countries together and get an open multilateral trading system working, even if only on a

Australia has taken the lead in fostering regional trade and cooperation

Australia has suffered severely from the grains war, with the US infringing on sev-eral of its traditional wheat markets, including China, Kuwait, Yemen and Pakistan. As a result, its wheat export earnings have fallen from a peak of A\$2.45bn in 1989 to A\$1.51bn in 1991, a decline aggravated by droughts in wheat-growing areas.

Together with other non-subsidised agricultural exporters snared in the war. Australia has formed the Cairns Group, which has played a key role in getting the Gatt talks to focus on agricultural trade liberalisation. But France's continuing intransigence over subsidies will now force Australia to rechannel energy to Apec.

Apec was also born of a determination to get accepted as an integral part of the Asia Pacific region, and thus get a better share of the bounty from its dynamic economies. Despite its proximity, Australia has not really developed strong trading relations with the region. This was partly because in many of the countries, especially in south-east Asia, former western colonial markets are very well entrenched. Australia also suffered from an image problem: while geographically located in the region, it is seen to represent the interests of the big white man. Australia itself has traditionally enjoyed more comfortable trading with Britain and Europe.

Over the last decade, Australia has tried to rectify the posi-

ing, while still treasurer in the early 1980s, began switching the government's focus from Europe to the Asia Pacific.

During his first term as prime minister, Australian business and government for the first time joined forces to capture a larger slice of the lucrative Asian market. The Department of Foreign Affairs and Trade has enlisted business support to produce trade and investment strategy in south-east and north-east Asia. The strategies drew on experiences of Australian companies already operating in the region, and identified opportunities as well as constraints in doing business in the region. The trade department has

also restructured its operations so that for the first time, the Asia division is now bigger than the Europe and the Amer-

The efforts have been well rewarded. In Vietnam, which has just opened its doors to foreigners, Australia has emerged as one of the biggest investors. Earlier this year, BHP won the contract to develop the huge Dai Hung oilfields. The project, worth around US\$1.5bn, places Australia as the second largest investor in Vietnam, next to

When Apec was first mooted in 1989 by the then Australian prime minister, Mr Bob Hawke, it was greetly blandly

The Asia division is now the biggest in the department of trade

by its polite Asian neighbours. Japan and the US were even more guarded, unsure of how the new grouping fitted in among the established institutions with which they already had pleasant relationships, especially the Association of South East Asian Nations, Dr Mahathir Mohamed, the Malaysian prime minister who had organised another grouping. was outright suspicious of

tion. Prime minister Paul Keat-

ECONOMY Total GDP (US\$bn) 290.7 Real GDP growth (%). GDP per capita (US\$ 16.586 Components of GDP² (%) Private consumption 61.7 18.2 Exports. 18.7 Consumer price inflation (%). Avg earnings (% change pa)... Unemployment (% of lab force) Reserves minus gold (US\$bn)... Total external debt (US\$bn)... n.a. 11.4 4.6 Narrow money growth (% pa)... Broad money growth (% pa). Interest rates (% end period). 3 month money rate 10 year bond vield... 6.5 FT-A index (% change on year). +31.4 Current acc.balance (US\$bn)... -10.7 -10.9 Trade balance (USSbn) Main trading partners (92/931.%) Exports Imports 41.0 18.4 ASEAN

Avg. exchange rate .. 1992 US\$1=A\$1.36; 1/11/93 US\$1=A\$1.48

= 1993 figures (GDP growth and current account - EIU forecasts for year, earnings - Q2; CPI - Q3; reserves and money growth - August; unemployment - September; interest rates -October. 2 = Fiscal year ending June. Sources: IMF, Datastream Economist Intelligence Unit

Apec. His Rast Asia Economic Caucus excludes Australia and

But because of the faltering Gatt talks, the main mechanism for multilateral trading, it seems that the previously most cynical Apec members now accept that regional integration would be the best insurance against a Gatt col-

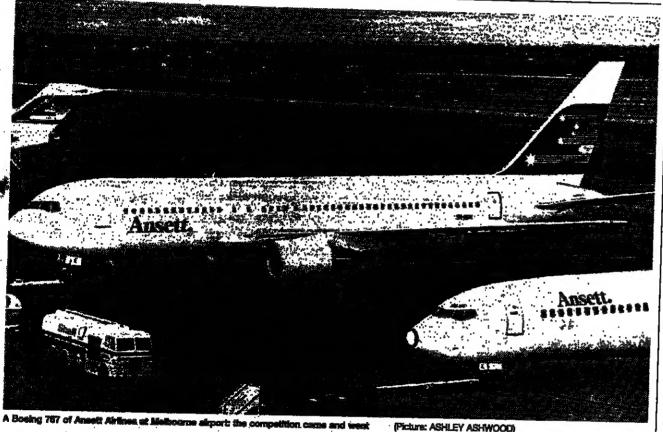
The most dramatic turnaround was from the US. During Mr Keating's visit to Washington last month, US president Bill Clinton threw his full weight behind Apec as another link in the free trade chain, and as a vehicle for locking the US into the region.

Importantly, there have also been strongly positive signals of Japan's acceptance of Australia's leadership. The Ministry of international Trade and Industry has said it was impor-

tant that Mr Keating kept up the momentum for regional integration. And the head of the Asian research arm of Nomura Securities, Mr C. H. Kwan, has said: "Australia has a big role to play in this region. It is very difficult for Japan to play a leadership role because of its relations with Asean, and Australia is in the best position in the region to bring everybody together to

Apec has also achieved a political coup by getting the three Chinas – Beijing, Taiwan and Hong Kong - sitting together as members.

With the members' growing receptiveness, Australia is poised further to assert its leadership, not only of the region but also of a more permanent body that would keep alive the region's hopes for continued liberalised trading.



SOLITH AUSTRALIA

Airlines are experiencing turbulent conditions, reports Nikki Tait

Seat-belt warning is on

world-wide feature of the airline industry since the start of the 1990s. Australia's aviation. sector has been no exception although some of the bumps been peculiar to the region.

· A SECTION

Commercial Control

First, on the domestic front, there has been the fall-out from deregulation. Liberalisation of the Austra-

ilan airline industry took effect in October 1990, when route licensing restrictions and pricing constraints were removed for internal flights. Almost immediately, the two existing domestic carriers - Ansett and Australian - confronted a new competitor in the shape of Compass, a start-up airline. Domestic air fares fell dramatically; cuts of as much as 70 per cent occurred on some routes, although the official estimate for the reduction in 'average fares" stood at

around 30 per cent. Compass, however, was a short-lived incarnation. It failed first in December 1991, when lessors reposses aircraft, only to be reborn under new management in August 1992. Compass Mark Two died in March this year, when the receivers were called in, and the airline wound up. Three years on, then, deregu-

lation has scarcely delivered what its proponents hoped for and, with other fledgling airlines failing to take to the s, recriminations surfaced in the wake of Compass' collapses. On one side, manage-

SURVEY SYNOPSES

£1.20 up to one month previous. Personal callers £1

REPRINTS Quotes available for minimum 100 order

£1.60 one month to one year previous Tel 071 873 3324

SURVEYS INDEX (past two years) £2 Tel 071 873 3213

EDITORIAL Information should be sent in writing to the

Commissioning Editor for the survey concerned, Number

One Southwark Bridge, London SEI 9HL, or fax 071 873

3076 or 071 407 5700

Cheques and postal orders for the FT Surveys Index

and Back Numbers should be made payable to

Financial Times Ltd. ·

BACK NUMBERS

ment was accused of negligence. On the other, there were allegations that government had reneged on a promise to protect new entrants; that domestic facilities were too congested to accommodate competitors; that more government-sponsored travel needed to be directed towards new car-

riers, and so on In the short-term, the net result of this messy experiment has been to recreate a duopoly situation - against a background of fairly weak, and extremely price-sensitive. demand for air transport.

According to the Department of Transport, domestic revenue passenger kilometres rose by 28.5 per cent between 1990 and 1991 when fares were tumbling. and then by just 3.24 per cent

Air fares, meanwhile, have increased - but only modestly. The Price Surveillance Authority calculates an increase of about seven per cent, during the June quarter which followed the second Compass collapse. "Fares are still about five per cent lower than in the same period last year, and 23 per cent down in real terms on the pre-deregulation levels of September 1990," says its chair-

man, Mr David Cousins. Airline executives support this sluggish picture. "Traffic is slow-growing and people only respond to very low pric-ing," comments Rodger Robertson, director of corporate plan-

Tel 071 873 3763

Fax 071 873 3062

Tel 071 873 3213

Tel 071 873 3763

Three years after deregulation, the results are disappointing

ernment's sale of Australian to Qantas, and the beginnings of a privatisation process for the merged entity. Evidence of this tie-up is

But in spite of deregulation's

failure to generate new domes-

tic carriers, matters have not

returned to the pre-1990 status

quo. Last year, the government

lutionise" the sector. This

time, it talked of creating a

common aviation market in

Australia and New Zealand,

while effectively doing away with the long-established

divide between international

routes, serviced by Qantas, and

domestic routes, handled by

After some angst, the revised

policy paved the way for gov-

Australian and Ansett

made a new attempt to "revo-

now clearly visible to any traveller: Qantas food has been appearing on internal flights for some months, for example, and the Australian name vanished from ticket counters and the like this month. On the privatisation front, meanwhile, British Airways came in as a 25 per cent shareholder in February, buying its stake for

But the Qantas-Australian flight plan has not been trouble-free. Integration, notoriously difficult in the airline industry, has been slower and more costly than some had FT SURVEYS INFORMATION hoped. Qantas, although reporting a slim A\$32.9m profit after financing charges, took a A\$446.4m hit for costs and 1993 FORTHCOMING SURVEYS LIST Tel 071 873 3763 Fax 071 873 3062 write-offs related to the merger in the year to end-June.

> Moreover, in August this year, John Ward, Qantas' veteran chief executive quit - and was replaced by James Strong, a Qantas director and former chief executive of Australian. who formally took up the reins this month. Finally, the next stage in the privatisation process, originally due to take place this autumn, has been delayed until the 1994-5 finan-

Meanwhile, over at Ansett, the first international flight took off in September, to Bali. and the airline - owned jointly by TNT, the transport group, and Mr Rupert Murdoch's News Corporation - has also accumulated rights to other parts of south-east Asia.

Arasett, it should be noted is not be the only new recipient of international route authorities. The International Air Services Commission has a clear policy of favouring new entrants in the international arena and that, in turn, has meant route awards for the likes of National Airlines, on the freight side, and for Australia-Air International, a untried passenger carrier. But on the trans-Tasman

front, matters are largely in abeyance. Synchronising operating procedures, such as customs and immigration. between Australia and New Zealand has proved no simple task, and government negotiations are continuing. In the meantime. Ansett has decided against flying trans-Tasman routes at this stage. It will review its position when it gains access to more city pairs in November, and has a better grasp of the operational details

of the single market. To an extent, the consolidation seems to be improving profitability. Ansett, for example, managed to deliver a A\$59.5m operating profit in the year to end-June, compared with a A\$91.2m loss last time round, although there was still a bottom-line deficit. Qantas also traded profitably in the first quarter of 1993-4, compared with a loss in the same

period a year ago. Nevertheless, all the upheavals have produced additional capital requirements, in an industry which has already been drained by fare-discounting, at home and abroad, and by recessionary conditions. Both TNT and News Corporation have made clear that they would like to bring a new partner in at Ansett at some stage.

Finally, there is the issue of foreign competition and bilat-

eral relationships. On the one hand, some recent retrenchment - for example, by Houston-based Continental Airlines and Germany's Lufthansa may ease conditions for remaining players. But two other large US carriers, United and Northwest, have had furious spats with the Australian authorities this year, over frequencies and traffic restrictions on Japan-Sydney portions of their US-Australia route authorities. Such rumpuses are a clear reminder of everyone's determination to claw out the maximum possible profit, in a generally depressed industry

MAJOR BUSINESS **MISSIONS** COME TO

Melbourne is very much the corporate headquarters of Australia. Six of Australia's ten largest corporations are based there, and of the ten largest international corporations in Australia, seven have their headquarters in Melbourne.

Melbourne-based companies are accountable for three-quarters of Australia's metals and mining sector and two-thirds of the oil, gas, automobile; communications, retail and chemical sectors.

The city is also headquarters for the major trading authorities in the principal rural commodities of wheat and wool.

Melbourne is capital of the State of Victoria, which is the industrial beartland of Australia. This one state provides Australia with 30% of total manufacturing output. As well, Melbourne's location puts it at the geographic centre of 70% of the Australian population.



Here are a few facts to give you an idea of what Victoria and its capital, Melbourne, have to offer:



60% of Australia's aerospace industry and automotive production.



Half of Australia's textiles, clothing and footwear industries and manufactured output in telecommunications products. Almost all of Australia's optical fibre comes from Victoria.



Over 40% of Australia's aluminium production, and manufacture of measuring and scientific equipment.



Over a third of Australia's chemicals, petroleum and coal products, paper products, printing and publishing, and food processing industries.



The Port of Melbourne is the largest container port in the Southern Hemisphere, and Melbourne's international airport operates 24 hours a day and is served by 31 international airlines.

Melbourne has been rated the world's most livable city on statistical analysis compiled by the Washington-based Population Crisis Committee. It is also one of the cheapest places in the world to buy a basket of western-style consumer goods, according to a survey by Employment Conditions Abroad.



Australia's lowest energy prices for large industrial consumers.



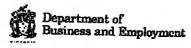
A highly skilled and educated workforce, including one-third of Australia's computer scientists and electronic engineers. Salary costs for technical and senior management positions are very competitive on an international scale.

For further information about doing business in Victoria, please contact

The Department of Business and Employment, Agent-General for Victoria, Victoria House, Melbourne Place, Strand, London WC2B 4LG. United Kingdom,

Telephone (4471) 836 2656 Facsimile (4471) 240 6025.

MELBOURNE WHERE AUSTRALIA GETS DOWN TO BUSINESS



Victoria on the move

roaring Australian stockmarket might conclude that boom times are just around the corner, writes

NIKKI TAPT. In reality, however, Australia is waiting anxiously for world economic growth to pick up - and finding that any marked improvement is slow

In some respects. Australia looks to be in better shape than bigger, recession-hit counterparts. Gross domestic output, which grew by an average annual rate of over three per cent in the 1980s before slump ing badly in 1990-1 and 1991-2. recovered to a rate of 2.5 per cent in the last fiscal year.

Government forecasts have suggested that a slightly higher percentage increase 2.75 per cent - could be in view for the current 12 months, although some analysts view the figure as over-optimistc.

Even on the pessimists' fig ures, however, Australia still stands ahead of Japan, West bly on a par with the US. In short, no rip-roaring boom, but conditions could be worse.

Inflation - an Australian bugbear for most of the 1980s has also ceased to be an imme diate worry. Consumer prices rose by a miserly 0.3 per cent price rises seen in the industrialised world. This figure, increased; the September consumer price index suggested a 2.2 per cent increase, year-onyear. It will jump further as a result of indirect tax increases in the government's latest budget. But the underlying infla-

In spite of these fairly positive trends, however, the economy still faces a couple of big problems. For a start, the growth which is occurring generally owes more to public sector spending than private sector investment. Interest rates may be at their lowest levels for over a decade, but according to a recent survey by Commonwealth Bank, published in the late summer: "Since the peak in business investment in the September quarter of 1989, private expenditure on plant and equipment has fallen by about 32 per cent, while nondwelling construction has declined by around 44 per

Meanwhile, retail sales remain weak, with September's value only 0.8 per cent higher



ECONOMY

Global upturn must come first

down 0.6 per cent. And, while there were signs of a strong, double-digit surge in both new car registrations and in hous-ing finance in September, most pundits interpreted these numbers as a fluke - probably inflated by customers nervous about possible fiscal changes. It is true that Mr John Daw-

kins, the Australian treasurer, has outlined a strategy which should reduce the deficit to one per cent of GDP by 1996-7, or agrees that this aim is achievable. The government's heavy reliance on indirect tax rises to fund its promised tax cuts has prompted debate over the eventual implications for inflation and growth. As Bill Evans, chief economist at Westpac Bank, puts it: "We believe the government's growth forecasts are, on average, too optimistic and expect that, for no other policy changes, the "target deficit', will be missed by \$2-\$8hm, or 0.5 per cent of GDP."

Perhaps the biggest headache - especially for a Labor government which is still movement - is how to tackle the high levels of unemployment which persist at present without throwing the deficit reduction strategy way off course. The unemployment rate is stuck in double-digit figures - although it did edge down from 11.1 per cent to 10.9 per cent in September. However, few economists think that it will drop significantly

in part, this pessimism stems from the industrial restructuring, which has followed the reduction in Australia's protectionist tariff barriers. Jobs in some of the "old" manufacturing sectors, while self-em-ployment has actually risen. In the long-term, there are hopes that a balance may be struck: that the growth of higher value-added, export-oriented industries, and a more entrepreneurial breed of small busi-JACQUES. nesses - supplying "outsourced" services, for example will mop up some of the

is the order of the day. All that said, a couple of brighter spots shine through these clouds. First, the corporate sector has been undergoing a cathartic overhaul.

labour surplus. For the

moment, however, dislocation

This has been spurred partly by recession, partly by the need to address overstretched balance sheets, and partly by broader political decisions, such as the tariff changes. In the main, this has reduced rather than added, jobs and brought little net new investment. But it has produced a significant upturn in profitability. According to the Austra-lian Financial Review, net profits from 500 listed companies whose financial year ended on June 30, rose by 98 per cent. Sales, by contrast, grew by only 4.5 per cent. Secondly, there has been a

marked difference in economic performance between the dif-ferent states and territories. land have been well ahead of the pack, while growth in New South Wales has lagged the national average. This is usu-ally attributed to the resourcebased activity in the former two states, and the presence of more traditional (and hitherto protected) manfacturing poerations on the east coast. But at the end of the day,

some meaningful improvement in economies of the country's leading trading partners, such as Japan, looks neccessary before Australia enjoys any real lift. Many analysts caution that this could be slow to develop, and the Australian Bureau of Agriculture and Resource Ecnomics has recently forecast a further three per cent fall in commodity prices in 1993-4, although a bling exchange rate could leave them higher in Austra-

lian dollar terms. All this may change by 1994-5. But as one analyst has concluded: "The issue is whether the Budget strategy can deliver enough economic growth in the short-term to enable Australia to hitch a ride on the upcoming locomotive of

HILE Australia's poli-ticians have been haggling about taxation on Chardonnay wine, the din has all but drowned out an issue of far greater national significance, writes BRUCE

The index of commodity prices to Australian producers. measured in Special Drawing Rights terms, fell to its lowest dragging the Australian cur-rency briefly to its lowest point for six years.

The commodities slump, now entering its second half decade, has further highlighted the vulnerability of the Australian economy to external forces. As a world export leader in many key commodities including coal, iron ore, gold, alumina, copper, lead and zinc, Austra-lia has sensitive antennae to

Yet the mining industry has again comfortably held its place as the country's largest export earner. It has done so however, only by producing more for less, thus playing a big part in chasing world prices down.

The pattern was clearly indicated in a recent analysis from ABARE, the Australian Government's commodity analysis body, ABARE calculated that the weighted basket of Australia's commodity prices fell by 8 per cent in 1992-93 and pre-dicted a further 3 per cent fall in the current year. Yet the agency is also pre-

dicting that the value of Australian commodity exports will rise by about 3 per cent to A\$49bn in the current year. This is forecast to reflect a 2 per cent fall in rural exports. easily offset by a 7 per cent lift to A\$31.8bn in mineral exports. Australia's export growth in mining goes against all the world's leading economic nature is perhaps most strik-ingly demonstrated in relation to steel, still the pivotal metal nic growth.

ABARE forecasts that, in spite of the lower steel production in leading economies, Australia's two best export performers this year will be in steel's key raw materials, coal and iron ore. Coal exports are forecast to rise 3.5 per cent to almost 133m tonnes, with revenue up 4 per cent to A\$7.8bn. Iron ore exports are predicted to rise 2 per cent to 110m tonnes, but earnings would fall

per cent to A\$2.9bn. The incongruity of this export position has been the catalyst for a lively debate on Australia's economic direction. The Federal Government is



MINING

In the front line

tured products where world prices are less influenced by consumer countries. Recent growth has been impressive, especially in technology related areas.

According to figures from the Bureau of Industry Economics, manufactured exports grew at an average annual rate of 12.5 per cent in the decade to 1992, or from A\$10.3bn to A\$33.4bn. This slightly exceeded average annual growth in mining exports of 11.5 per cent and dwarfed agricultural export growth of just 2.8 per cent. Even with manutured exports growing quickly. Australia will con-tinus to be a price taker for a large part of its total exports.

but there are two strong pluses to the scenario. The first is the country's fortunate geographic location. affording natural access to some of the world's big growth economies in Asia. Emerging Asian economies account for the bulk of growth projected for Australian mining products

The second, perhaps paradoxically, is the corrective effect of the world commodity price slump on the value of the Australian currency. After against its US counterpart for 1992-93, the Australian dollar was trading in late October at A\$1.50 against the US dollar. While this devaluation is causing problems in some areas of the economy, it has

been a handy cushion for Australian mining company earnings. Although performances were mixed, and often marred by hefty write-offs, 1992-93 was year of overall recovery in Australian mining results. But much of it came through costcutting. Having thus battled hard to

weather the commodity recession, Australian mining companies moved towards 1994 facing another challenge. The industry is in the thick of the controversy over native title brought on by the High Court decision in mid-1992 in the so-called Mabo case.

As a major user of non-urban regions, the mining industry stands to be heavily affected by Mabo, which could give

Australia's Aboriginal people title to large tracts of land. Confusion ruled late in 1993 on the likely full effects of the Mabo decision as Federal and State governments moved to

pass competing legislation. The main fallout for the min ing industry is a new wave of uncertainty on access to exploration and extractive sites. Some companies have reacted by taking a hard line, few harder than the CRA subsidtary, Comalco. Late in 1993, the company threatened to ditch almost A\$2bn worth of expansion if an Aboriginal claim over its bauxite leases as Weipa in northern Queensland

was not quickly settled. The immediate impasse resolved through Federal Goveroment intervention to validate Comalco's leases. But the piecemeal nature of the resolution to what is a pervasive national problem has given

Can your bank claim to be the leading provider of A\$ Swaps globally?

Risk, Euromoney and Australia's Business Review Herkly surveys have consistently shown that banks, treasurers and brokers agree that Westpac is the leading provider of A\$ Swaps.

Now in 1993, and for the third year in succession, the Risk survey has again voted Westpac number one for A\$ Swaps.

With a specialist capability and global network in A\$ and NZ\$ Interest Rate, Currency and Commodity based risk. Westpac can provide not only fast and competitive prices 24 hours a day, but a total risk management solution.

Contact Westpac today to find out how the acknowledged leaders in A\$ Swaps can best assist you.

Your local Westpac office:

Sydney 283 4200, Melbourne 602 1900, Wellington 499 0230, London 621 7600, New York 850 7686. Tokyo 3542 (791. Singapon: 530) 9521 or Hong Kong 810 4729.

Westpa, Banking Corporation ARBN 1007-457-141 Member of SPA

Westpac can

SATELLITE TELEVISION

The picture is rather cloudy

subscription television remains murky as the government desperately tries to clear the mess created by its bungled bidding ellite-delivered services.

In April this year, the gov-ernment awarded the rights to two licences to industry dark horses. Bidding was strictly on a highest-price basis, and the two newcomers defeated the race favourite, the powerful consortium led by Rupert Murdoch, the media beron, Kerry Packer, and Telecom.

The winning bidders were UCOM Pty, which offered A\$177m (\$120m), and HI Vision, which tendered A\$212m (\$144m). Australia's subscription television policy allows for three satellite-delivered services. The two licences are for four-channel operations. The

The government is trying to clear up the mess of its bungled bid process

third licence has been reserved for the national Australian Broadcasting Corporation.

The media industry gasped at the very high prices offered by the winners. Speculation

had the rich Murdoch-Packer consortium and the US Conti-nental Cable group offering less than A\$100m each. The government, on the other hand, immediately realised the folly of its decision and that it had been out-loxed by two industry upstarts.
The two winners had gut up

unrealistic and purely specula-tive bids to guarantee that they got the winning spots. They have also put in cascading bids so that they remained in the game as the licences were re-awarded to the "next

To contain its embarrassment, the government quickly revised the bidding rules. It required the next highest bidders to pay a non-refundable five per cent deposit within three days of winning. The patch-up job was obviously amateur and calls for the head of Senator Bob Collins, the communications minister, grew louder. Only the intervenPaul Keating, saved the day for

As expected, the two winners failed to produce the cash for their original bids. Bidding cascaded and in August, after six rounds of failed bids from the same parties, UCOM paid a five per cent deposit on a price of A\$97m for the first licence, A\$80m less than its original tender. A company associated communications, also paid a deposit for Hi Vision's bid of A\$117m, A\$95m less than the original figure.

The deposits should have

provided some relief to the government. However, they have raised yet another problem. The Trade Practices Commission, the competition watch dog, is now examining whether UCOM, having paid for HI-VI-sion's deposit, has breached competition laws. Under the government's subscription television policy, a company that have no more than two per

holding the other licence.

Mr Albert Hadid, the controlling shareholder of the UCOM group, said that UCOM's crossownership of the two licences would be within the law. He promised that Australia's first subscription television would start operating by July next year. Mr Hadid has the finan-cial backing of the Lenfest group, a small Pennsylvania-based cable TV operator.

Meanwhile, the Murdoch-Packer-Telecom group has abandoned all interest in satellite-delivered services. It is now putting up plans for an alternative cable network for limited residential markets.

The government had previsatellite subscription television. It has argued that cable and microwave-delivered services would not provide a national coverage. But with the satellite service merely crawling into reality, the government seems prepared to review the merits of other methods of delivering subscrip-

ATTACK THE ASIAN MARKET FROM A POSITION **OF STRENGTH**



Western Australia is such a rapidly growing economy it is becoming known as Asia's Southern

Geographically and economically, it's more a part of Asia than any other Australian State. and has a thriving export culture.

By locating your Southern Hemisphere operation in Western Australia, you're ideally placed to profit from the markets of Asia and the Indian Ocean rim.

Western Australia is in the same time zone as major Asian business centres. It blends a positive business environment with an enviable lifestyle in a sunny Mediterranean climate.

The Government offers attractive incentives to companies interested in establishing their regional headquarters or developing a pioneer industry in Western Australia. It will also assist in matching international companies with Western Australian companies to create strategic alliances and joint ventures.

Why not find out more about Asia's Southern Tiger from Western Australia's Department of Commerce and Trade?

Call Western Australia's Agent General, Mr Gary Stokes, at Western Australia House for your free "Locate to Western Australia" information kit. Telephone (71) 240 2881 or Facsimile (71) 240 6637.



GOVERNMENT OF WESTERN AUSTRALIA

